



## CADSYS (INDIA) LIMITED

Our Company was incorporated as 'Cadsys (India) Private Limited' on July 23, 1992 under the Companies Act, 1956, with the Registrar of Companies, Andhra Pradesh, Hyderabad. Pursuant to a special resolution of our Shareholders dated March 29, 1995, our Company was converted into a public limited company and a fresh certificate of incorporation consequent to the conversion was issued to our Company by the Registrar of Companies, Andhra Pradesh, Hyderabad on June 8, 1995. For further details pertaining to the change of

Registered Office, please refer to the chapter "History and Certain Corporate Matters" on page 97 of this Prospectus.



**Registered Office:** 3-5-900/1, IVth Floor, Aparajitha Arcade Himayathnagar, Hyderabad - 500029, Telangana, India;

**Telephone:** +91 - 40 - 2322 - 4110; **Facsimile:** +91 - 40 - 2322-3984

**Corporate Identification Number:** U72200AP1992PLC014558

**Contact Person:** Babladi Shailaja, Company Secretary and Compliance Officer

**E - mail:** [cs@cadsystech.com](mailto:cs@cadsystech.com); **Website:** [www.cadsystech.com](http://www.cadsystech.com)

OUR PROMOTER: NALLANI CHAKRAVARTHI VENKATA RANGACHARYA	
PUBLIC ISSUE OF 21,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF CADSYS (INDIA) LIMITED ('CIL', 'COMPANY' OR THE 'ISSUER') FOR CASH AT A PRICE OF ₹ 70/- PER EQUITY SHARE ("ISSUE PRICE") INCLUDING SHARE PREMIUM OF ₹ 60/- PER EQUITY SHARE AGGREGATING TO ₹ 1,47,00,000 LAKHS ("THE ISSUE"), OF WHICH 1,08,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH FOR A CASH PRICE OF ₹ 70/- PER EQUITY SHARE, AGGREGATING TO ₹ 75.60 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 19,92,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹ 70/- PER EQUITY SHARE AGGREGATING TO ₹ 1,39,40,000 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.99 % AND 26.55%, RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER "TERMS OF THE ISSUE ON PAGE 201 OF THIS PROSPECTUS.	
THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE OF ₹ 70 IS 7.00 TIMES OF THE FACE VALUE	
THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER "ISSUE PROCEDURE" ON PAGE 208 OF THIS PROSPECTUS.	
In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 208 of this Prospectus. A copy of the Prospectus will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.	
RISKS IN RELATION TO THE FIRST ISSUE	
This being the first public issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹ 10/- per Equity Share and the Issue Price is 7.00 times of the face value. The Issue Price (as determined by Company in consultation with the Lead Manager) as stated under the paragraph on "Basis for Issue Price" on page 68 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the shares will be traded after listing.	
GENERAL RISKS	
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision investors must rely on their own examination of our Company and the Issue including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 14 of this Prospectus.	
COMPANY'S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.	
LISTING	
The Equity Shares offered through the Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited ("NSE Emerge"). In terms of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended, we are not required to obtain any in principle listing approval for the shares being offered in this Issue. However, our Company has received an in-principle approval letter dated September 08, 2017 from NSE Emerge for using its name in the Offer Document for listing our shares on the SME Platform of National Stock Exchange of India Limited. For the purpose of this Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited.	
LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p><b>SAFFRON CAPITAL ADVISORS PRIVATE LIMITED</b> 605, 6th floor, Centre Point, Andheri Kurla Road, J.B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India. <b>Telephone:</b> +91 22 4082 0914; <b>Facsimile:</b> +91 22 4082 0999 <b>E-mail:</b> <a href="mailto:sme.ipos@saffronadvisors.com">sme.ipos@saffronadvisors.com</a> <b>Website:</b> <a href="http://www.saffronadvisors.com">www.saffronadvisors.com</a> <b>Investor grievance:</b> <a href="mailto:investorgrievance@saffronadvisors.com">investorgrievance@saffronadvisors.com</a> <b>Contact Person:</b> Amit Wagle / Gaurav Khandelwal <b>SEBI Registration Number:</b> INM 000011211</p>	 <p><b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1<sup>st</sup> Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400 059, Maharashtra, India <b>Telephone:</b> +91 - 022 62638200 <b>Facsimile:</b> +91 - 022 62638299 <b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Investor grievance:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Contact person:</b> Babu Raphael <b>SEBI Registration No:</b> INR000001385</p>
ISSUE PROGRAMME	
ISSUE OPENS ON THURSDAY, SEPTEMBER 21, 2017	ISSUE CLOSES ON MONDAY, SEPTEMBER 25, 2017

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## SECTION – I GENERAL INFORMATION

### DEFINITIONS AND ABBREVIATIONS

*Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.*

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

#### Company and Business Related Terms

Term	Description
“Articles” or “Articles of Association” or “AoA”	The Articles of Association of our Company, as amended.
“Auditor” or “Statutory Auditor”	The statutory auditors of our Company, being M/s. Narven Associates, Chartered Accountants having their office at 302, 303, Lingapur House Himayat Nagar, Hyderabad - 500029 Telangana, India
Audit Committee	The Audit Committee of our Board of Directors described in the section entitled “ <i>Our Management</i> ” on page 104 constituted in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations and Section 177 of the Companies Act, 2013.
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time including any committees thereof.
Branch Office	H. No. 3 – 6 – 262, MPL No. 219, IInd Floor, Tirumala Estates, Himayathnagar, Hyderabad – 500029, Telangana, India
Corporate and Social Responsibility Committee	The Corporate and Social Responsibility Committee of our Board of Directors described in the section entitled “ <i>Our Management</i> ” on page 104 constituted in accordance Section 135 of the Companies Act, 2013.
Director(s)	Unless the context requires otherwise, the director(s) of our Company
Equity Shares	Equity shares of our Company of ₹10 each, fully paid up
Group Entities / Group Companies	The companies included under the definition of "Group Companies" under the SEBI (ICDR) Regulations and identified by the Company in its Materiality Policy. For further details, please refer to section titled “ <i>Our Group Entities</i> ” beginning on page 120 of this Prospectus.
IPO Committee	The IPO Committee of our Board of Directors described in the section entitled “ <i>Our Management</i> ” on page 104 of this Prospectus.
“Key Managerial Personnel” or KMP	The personnel listed as key managerial personnel in section titled “ <i>Our Management</i> ” on page 104 of this Prospectus.
Materiality Policy	The policy adopted by our Board on July 3, 2017 for identification of Group Companies, outstanding material litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations.
“Memorandum” or “Memorandum of Association” or “MoA”	The Memorandum of Association of our Company, as amended.
Nomination and Remuneration Committee	The nomination and remuneration Committee of our Board of Directors described in the section entitled “ <i>Our Management</i> ” on page 104 constituted in accordance with Regulation 19 of the SEBI (LODR) Regulations and Section 178 of the Companies Act, 2013.

<b>Term</b>	<b>Description</b>
“Our Company” or “the Company” or “CIL” or “Issuer” or “we” or “us”	Cadsys (India) Limited, a public limited company incorporated under the provisions of Companies Act, 1956 having its registered office at 3-5-900/1, IVth Floor, Aparajitha Arcade, Himayathnagar, Hyderabad – 500029, Telangana, India
Peer Reviewed Auditor	The independent peer reviewed Auditor of our Company M/s. G. Krishnamurthy & Co, Chartered Accountants
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership Firm, Limited Liability Partnership, Joint Venture, or Trust or Any Other Entity or Organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter	Nallani Chakravarthi Venkata Rangacharya
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI (ICDR) Regulations.
Registered Office	3-5-900/1, IVth Floor, Aparajitha Arcade, Himayathnagar, Hyderabad -500029, Telangana, India.
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board of Directors described in the section entitled “ <i>Our Management</i> ” on page 104 constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Section 178 of the Companies Act, 2013.
“you”, “your” or “yours”	Prospective investors in this Issue

#### **Issue Related Terms**

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allocation/ Allotment of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Applicants.
“Allot” or “Allotment” or “Allotted”	Unless the context otherwise requires, issue/allotment of Equity Shares of our Company pursuant to the Issue of Equity Shares to the successful Applicants.
Allotment Advice	The Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	A Successful applicant(s) to whom the Equity Shares are being/ have been issued /allotted.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Prospectus.
“ASBA” or “Application Supported by Blocked Amount”	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	Account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant.
Bankers to the Issue	Axis Bank Limited
Basis of Allotment	Basis on which the Equity Shares will be Allotted as described in “ <i>Issue Procedure</i> ” on page 208 of this Prospectus.
Broker Centres	Broker centres notified by the Stock exchange, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Limited on the following link <a href="http://www.nseindia.com/Static/Markets/PublicIssues/brokercentres.aspx?expandable=3#markets_eq">http://www.nseindia.com/Static/Markets/PublicIssues/brokercentres.aspx?expandable=3#markets_eq</a>

Term	Description
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue by the Applicants with the Registrar to the Issue and the Stock exchange, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The details of the Applicants including the Applicants address, names of the Applicants father/husband, investor status, occupations and bank account details.
Depository / Depositories	NSDL and CDSL or any other depository registered with the SEBI under Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time read with the Depositories Act, 1996.
Depository Participant or DP	A depository participant as defined under the Depositories Act, 1966.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Designated Date	On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Prospectus or DP	The Draft Prospectus dated August 17, 2017 issued in accordance with Section 26 of the Companies Act, 2013.
Eligible NRIs	NRIs from such a jurisdiction outside India where it is not unlawful to make an issue or invitation under this Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares.
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations
Equity Shares	The Equity Shares of our Company of ₹ 10 each
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the Circular (CIR/CFD/DIL/12/2013) dated 23rd October, 2013, notified by SEBI read with SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.

Term	Description
Issue / Issue Size / Initial Public / IPO	Public issue of 21,00,000 Equity Shares of ₹ 10 each aggregating upto ₹ 1,470 lacs by our Company.
Issue Agreement	The agreement entered into on August 03, 2017 entered into between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The price at which Equity Shares will be issued and allotted by our Company being ₹ 70 per Equity Share of face value of ₹ 10 each fully paid. Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors.
Issue Proceeds	The proceeds of this Issue to be raised by our Company, details of which have been provided in the section titled “Objects of the Issue” on page 64 of this Prospectus
Lead Manager / LM	The Lead Manager for the Issue being Saffron Capital Advisors Private Limited
Listing Agreement	The listing agreement to be entered into by our Company with National Stock Exchange of India Limited
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the SME Platform of NSE. In our case, New Berry Capitals Private Limited being the Market Maker to the Issue.
Market Making Agreement	The Market Making Agreement dated September 11, 2017 between our Company and Market Maker.
Market Maker Reservation Portion	The reserved portion of up to 1,08,000 Equity Shares of ₹10 each at an Issue Price of ₹ 70 each to be subscribed by Market Maker
Mutual Fund Portion	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to 19,92,000 equity shares of face value ₹ 10 each of our Company for cash at a price of ₹ 70 per Equity Share (the “Issue Price”), including a share premium of ₹ 60 per Equity Share aggregating up to ₹ 1,394.40 Lakhs.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
Non-Institutional Investor / NIIs	All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Non Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
NSE Emerge / SME Platform of NSE	SME platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations
Offer Document	Collectively, Draft Prospectus and The Prospectus
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. <b>OCBs are not allowed to invest in this Issue.</b>
Non-Institutional Investors / NIIs	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs).
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	The bank account opened with the Banker(s) to the Issue by our Company under Section 40 of the Companies Act, 2013 to receive money from the SCSBs the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Agreement	Agreement entered into amongst the Company, the Lead Manager, the Registrar and the Banker to the Issue to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.

<b>Term</b>	<b>Description</b>
Qualified Foreign Investors or QFIs or Eligible QFI	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
QIBs or Qualified Institutional Buyers	A Mutual Fund, Venture Capital Fund, Alternative Investment Fund and Foreign Venture Capital investor registered with the Board, a foreign portfolio investor other than Category III foreign portfolio investor, registered with the Board; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance Company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of ₹ 25.00 Crore rupees; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non – banking financial institutions.
Registrar / Registrar to the Issue	The Registrar to the Issue being Bigshare Services Private Limited
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2009
Restated Consolidated Financial Statements	The restated audited financial statements of our Company and Subsidiaries for Fiscal 2013, 2014, 2015, 2016 and 2017 prepared in accordance with Indian GAAP
Restated Standalone Financial Statements	The restated audited financial statements of our Company for Fiscal 2013, 2014, 2015, 2016 and 2017 prepared in accordance with Indian GAAP
Retail Individual Investor/ RIIs	Investors (including HUFs applying through their karta, Eligible NRIs and Resident Retail Individual Investors) whose Application Amount for Equity Shares in the Issue is not more than ₹ 200,000 in the Issue.
Revision Form	The form used by the Applicants, to modify the quantity of Equity Shares Application Forms or any previous Revision Form(s).
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA a list of which is available on website of SEBI ( <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised</a> Intermediaries) and updated from time to time
Specified Locations	Centres where the Syndicate shall accept the Application Forms, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised</a> Intermediaries) and updated from time to time
Stock Exchange	National Stock Exchange of India Limited
Subsidiaries	The subsidiaries of our Company namely Cadsys Technologies LLC, Apex Advance Technology LLC and Apex Engineers (India) Private Limited
Underwriter	Saffron Capital Advisors Private Limited
Underwriting Agreement	The agreement dated September 02, 2017 to be entered into between the Underwriters and our Company.
Working Days	"Working Day" shall mean all trading days of Stock exchange, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

## Conventional and General Terms/ Abbreviations

Abbreviation	Full Form
₹/Rs./ Rupees	Indian Rupees
A/c	Account
AGM	Annual General Meeting.
AIF	Alternative Investment Funds registered pursuant to SEBI (Alternative Investment Funds) Regulations, 2012, as amended from time to time
AS or Accounting Standards	Accounting Standards as notified under Companies (Accounting Standards) Rules, 2006
AY	Assessment Year
CAGR	Compound Annual Growth Rate
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CDP	Collecting Depository Participant
CFO	Chief Financial Officer
CIBIL	Credit Information Bureau (India) Limited
CIN	Corporate Identity Number
Companies Act or Act	Companies Act, 1956, as superseded and substituted by notified provisions of the Companies Act, 2013
Competition Act	Competition Act, 2002, as amended
CSR	Corporate Social Responsibility
CST	Central Sales Tax Act, 1956, as amended.
DIN	Directors Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant's Identity
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings per share, which is the profit after tax for a fiscal year divided by the weighted average of outstanding number of equity shares at the end of the fiscal year
EPF	The Employees Provident Fund and Miscellaneous Provisions Act, 1952
ESI	The Employees State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations framed there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investors, as defined under the FII Regulations and registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
Fiscal or Financial Year or FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FIPB	Foreign Investment Promotion Board
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any QFI or FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three



Abbreviation	Full Form
	years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investor registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
GDP	Gross Domestic Product
GoI or Government of India or Central Government	The Government of India.
GST	Goods and Service Tax
HNI	High Net worth Individual
HUF	Hindu Undivided Family.
ICAI	The Institute of Chartered Accountants of India
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards.
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended
Indian GAAP	Generally accepted accounting principles in India.
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority.
ISIN	International Securities Identification Number
IT	Information Technology
IT Act	Income Tax Act, 1961, as amended.
IT Department	Income Tax Department, GoI.
KMP	Key Managerial Personnel
LIBOR	London Interbank Offered Rate
Limited Liability Partnership or LLP	Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008.
Ltd.	Limited.
MCA	The Ministry of Corporate Affairs, GoI
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A./NA	Not Applicable.
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer.
NIF	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India.
No.	Number.
NOC	No objection certificate
NR	Non Resident
NR or Non Resident	A person resident outside India, as defined under FEMA, including an Eligible NRI and FII.
NRE Account	Non-Resident External Account.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Account.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum.

Abbreviation	Full Form
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLR	Prime Lending Rate.
Pvt./(P)	Private
QA	Quality Assurance
QC	Quality Check
R&D	Research and Development.
RBI	Reserve Bank of India.
RoC or Registrar of Companies	The Registrar of Companies, Andhra Pradesh and Telangana situated at 2 <sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad – 500 068, Telangana, India
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI (ICDR) Regulations, / SEBI (ICDR) Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SEBI (LODR) Regulations / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
Securities Act	U.S. Securities Act of 1933.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprise
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
TAN	Tax Deduction Account Number allotted the Income Tax Act, 1961, as amended.
TDS	Tax Deducted at Source
U.S. GAAP	Generally accepted accounting principles in the United States of America.
U.S. or US or U.S.A or United States	The United States of America, together with its territories and possessions.
US\$	United States Dollar, the official currency of the United States of America
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
Y-O-Y	Year-over-Year

#### Industry Related Terms

Abbreviation	Full Form
BPM	Business Process Management
CAGR	Compound Annual Growth Rate
Capex	Capital expenditure
CAD	Computer Aided Design
CoE	Center of Excellence
CSO	Central Statistics Organisation
DeitY	Department of Electronics and Information Technology

Abbreviation	Full Form
EPABX	Electronic Private Automatic Branch Exchange
EHTP	Electronics and Hardware Technology Parks
ESDM	Electronics System Design and Manufacturing
EoU	Export Oriented Unit
FTA	The Foreign Trade (Development and Regulation) Act, 1992
GIS	Geographic Information System
GDP	Gross Domestic Product
HVAC	Heating, Ventilation and Air Conditioning
IMF	International Monetary Fund
ICT	Information and Communication Technology
IT	Information Technology
IoT	Internet of Things
ICT	International Projects in Information and Communications Technology
IBPS	India BPO Promotion Scheme
ISO	International Organization for Standardization
MSMED Act	Micro, Small and Medium Enterprises Development Act, 2006
MeitY	Ministry of Electronics and Information Technology
NPE	National Policy on Electronics
NOFN	National Optical Fibre Network
NCoG	National Centre of Geo- Informatics
NEBPS	North East BPO Promotion Scheme
Opex	Operational expenditure
OECD	Organisation for Economic Co-operation and Development
ODCs	Offshore Development Centres
PIB	Press Information Bureau
PPP	Public Private Partnership
RBI	Reserve Bank of India
SMAC	Social, Mobility, Analytics and Cloud
SEZ	Special Economic Zone formed under Special Economic Zone Act, 2005, as amended
STPI	Software Technology Parks of India
SBU	Strategic Business Unit
STEP	Science and Technology Entrepreneurs Park
SCORM	Sharable Content Object Reference Model
SHWW Act	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
TREC	Tiruchirappalli Regional Engineering College
Unbilled Revenue	Unbilled Revenue is the value of work in progress of the semi-completed deliverables pertaining to Engineering/Software/eLearning services that have been not been invoiced as on the date of the financial reports. This is computed as the hours spent on the job multiplied by the weighted-average production cost per hour. The unbilled revenue will eventually be part of invoices raised in the subsequent months

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to “India” contained in this Prospectus are to the Republic of India and all references to the “U.S.”, the “USA” or the “United States” are to the United States of America, together with its territories and possessions. In this Prospectus, unless otherwise stated, our Company has presented numerical information in “Lacs” units.

### Financial Data

Unless stated otherwise the financial data in this Prospectus is derived from our restated consolidated and standalone financial information of our Company as at and for the Fiscals 2013, 2014, 2015, 2016 and 2017 prepared in accordance with Indian GAAP and the SEBI (ICDR) Regulations, which are included in this Prospectus, and as set out in the section titled “*Financial Information*” on page 121 of this Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references to a particular Financial Year are to the 12-month period ended on March 31 of that year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (“**IFRS**”) and the Generally Accepted Accounting Principles in the United States of America (“**U.S. GAAP**”). We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Prospectus should accordingly be limited.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

### Currency and Unit of presentation

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

Our Company has presented certain numerical information in this Prospectus in “lac” units. One lac represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lac or in whole numbers where the numbers have been too small to present in lac.

### Industry and Market Data

The chapter titled “*Industry Overview*” quotes and otherwise includes information from a report procured by us, Nasscom Report October, 2015 and Nasscom BPM Survey Findings, 2014 prepared by Nasscom and other publicly available sources for purposes of this Prospectus. We have not commissioned any report for purposes of this Prospectus other than the Nasscom report. The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. In addition, certain data in relation to our Company used in this Prospectus has been obtained or derived from reports published, or studies conducted, Nasscom and may differ in certain respects from our restated consolidated financial information as a result of, *inter alia*, the methodologies used in compiling such data. Accordingly, no investment decision should be made based on such information.

Further, such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including but not limited to those discussed in the section titled “*Risk Factors*” on page 14 of this Prospectus. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI (ICDR) Regulations, the chapter titled “*Basis for Issue Price*” on page 68 of this

Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Lead Manager have independently verified such information.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward looking statements” which are not historical facts. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our plans, our goals, our revenue and profitability, our projects and other matters discussed in this Prospectus regarding matters that are not historical facts. These forward looking statements can generally be identified by words or phrases such as “will”, “may”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “will pursue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “anticipate”, “objective”, “goal”, “project”, “should”, “will pursue”, “will likely result” and similar expressions or variations of such expressions. All forward looking statements are subject to risks, uncertainties and assumptions about us that may cause our actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

- Our ability to anticipate and manage changes, or enhance our existing products and services, or our failure to develop new products in order to keep up with rapid changes in the industry in which we operate;
- Changes in purchasing habits and demand and consumption pattern;
- Our ability to maintain our market position;
- Competition from existing or new entrants in the BPM Industry;
- Fluctuations in exchange rate in the various currencies in which we do business
- Significant change in the Government’s economic liberalization and deregulation policies pertaining to the industry in which we operate;
- Our inability to implement our expansion plans in a timely and efficient manner due to factors beyond our control;
- Our large dependency on a limited number of clients;
- Our ability to successfully implement our growth strategy.

For a further discussion of factors that could cause our actual results to differ, refer to the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on pages 14, 80 and 171 respectively of this Prospectus. Additionally, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future and as a result, actual future gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company only as of the date of the Prospectus and are not a guarantee of our future performance. None of our Company, our Directors, our officers, any Underwriter, or any of their respective affiliates or associates has any obligation to update or otherwise revise any statement reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize.

## SECTION II: RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 80, “Industry Overview” beginning on page 72 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 171 of this Prospectus as well as other financial information contained herein.*

### INTERNAL RISK FACTORS

- 1. Our Company’s failure to anticipate and manage changes, or enhance our existing products and services, or our failure to keep pace with the technological advancement could adversely impact our business, results of operations and financial condition.***

The industry in which we operate is an evolving industry and consistently undergoes technological advancements. Our future success is reliant on our ability to foresee and adapt to these advances, enhance our existing product offerings or develop new service offerings as per market demand and to keep pace with technological advancement. While we believe that we have constantly strived to match global standards and keep pace with market demands by introducing or developing new services and technologies, in addition to our constant endeavours to regularly upgrade our existing technology, our failure to anticipate or to respond adequately to rapidly changing technology and/or requirements of our customers, could adversely impact our business, results of operations and financial condition.

Furthermore, during the course of business, our Company may alter the Company’s future strategy or business model as a result of investigations, experience, research, new business opportunities, technological advancement, market trends and demand. There can be no assurance that such alteration of the Company’s strategy or business model will prove to be successful or will be more successful than our current business strategy and model.

- 2. Our Company’s failure to meet demands, specifications or expectations of its customers, or failure to offer effective customer support in a timely manner could result in us losing our customer base thereby adversely affecting our business, results of operations and financial condition.***

The Industry in which we operate is highly competitive. Our success largely depends on our ability to maintain existing customer base and also on our ability to expand our customer base. Our business involves developing work products for our customers which includes “time is the essence” contracts. In the event we fail to cater to such specific requirements of our customers or fail to deliver our products or services as per their expectations in a timely manner or at all, we may lose our existing customer base thereby affecting our business, results of operations and financial condition. This could also result in reputational loss and consequently impact our strategy to expand our customer base.

Further, our customers, from time to time, require our customer support team to promptly assist in resolving post-deployment issues and aiding them in using our services and product efficiently. Our Company has set up customer service offices in USA to promptly address and resolve the issues faced by them. Any failure by our Company to provide prompt and high – quality customer support, or are otherwise unsuccessful in assisting our customers efficiently and effectively, could adversely affect our reputation, business, results of operations and financial condition.

**3. *Our revenue significantly depends on a limited number of customers, and our revenue could decline if we lose a major customer.***

We currently derive a significant portion of our revenue from a limited number of corporate customers. The loss of a major customer or a significant reduction in the services performed for a major customer could result in a significant reduction of our revenue. Significant pricing or margin pressure exerted by our major customers would also adversely affect our business, financial condition and results of operations. Our top 5 customers accounted for 92.20%, 94.92% and 87.79% of our total consolidated revenue from operations in Fiscal ending March 31, 2015, 2016 and 2017 respectively. Our large customers may terminate their work orders with us, with or without cause, and with or without notice, at any time, and our other major customers may terminate their contracts with us at their discretion, with or without notice. If any one or more of our work orders or customer contracts are terminated, our revenue and profitability could be materially and adversely affected.

We cannot assure you that our large customers will not terminate their arrangements with us or significantly change, reduce or delay the amount of services ordered from us, any of which would reduce our revenues thereby affecting our business, results of operation and financial condition.

**4. *Any delay or defaults in receipt of payments from our customers could result in increase of working capital investment and/or reduction of our Company's profits, thereby affecting our operation and financial condition.***

We rely on our customers for timely payments for products and services and may face delays or defaults in receiving payments. Such delayed payments may result in shortage of working capital. While we believe we take adequate measures to verify the creditworthiness of our customers before extending any credit to them, there can be no assurance that we will receive payments from our customers in a timely manner or at all. For the Fiscal ending March 31, 2015, 2016 and 2017 our trade receivables on a consolidated basis were ₹ 230.96 lacs, ₹ 346.65 lacs and 1,126.20 lacs, respectively, out of which, debts amounting to ₹ 16.57 lacs for Fiscal 2016 were outstanding for a period exceeding six months from the due date, out of which our management believes that ₹ 3.03 lacs and ₹ 0.23 lacs are doubtful trade receivable for Fiscal 2016 and Fiscal 2017 respectively. If a customer defaults in making its payments for a product on which our Company has devoted significant resources, or if the product in which our Company has invested significant resources is delayed or cancelled, it could have a material adverse effect on our Company's business, results of operations and financial condition.

**5. *We have entered into, and will continue to enter into, related party transactions. There is no assurance that our future related party transactions would be on terms favourable to us when compared to similar transactions with unrelated or third parties.***

We have entered into and may continue to enter into transactions with related parties that include our Promoter and companies forming part of the Promoter Group in the future. For further details in relation to our related party transactions, please refer to section titled "Related Party Transactions" beginning on page 121 of this Prospectus. While we believe that all such transactions have been conducted on an arm length's basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable commercial terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future and such transactions may potentially involve conflicts of interest which may be disadvantageous to our Company. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, results of operation and financial condition.



6. ***Our investments in innovation of technology, upgradation of existing software and hardware, training our employees etc. may not yield the proposed results, which may adversely affect our financial condition and results of operations.***

Our Company focuses on development of software programmes as per customer demands and specifications. Our Company devotes a considerable portion of our revenues and shall continue to devote a considerable portion of our revenues in developing innovative technologies and software, upgradation of existing software and hardware, training of our employees to acquire the requisite skills and such other means/ methods that enable our Company to enhance our capabilities. Our Company cannot assure you that allocation of funds or further investments in the above areas will yield the intended results. Our Company's failure to accomplish proposed outcome from our investments in these areas may adversely affect our financial position and results of operations.

7. ***Intense competition in the industry in which we operate could affect our pricing, which could reduce our share of business from clients and decrease our revenues, profitability, adversely affecting our business, results of operations and financial condition.***

We operate in an extremely competitive industry that experiences rapid technological advancements, changes in industry standards, and changes in customer demands and requirements. Our Company competes with other Indian IT and multinational technology firms and in-house IT departments of large corporations, in addition to numerous domestic and global competitors in the various geographic markets in which our Company operates. Further, our Company may also face competition from companies that increase in size or scope as the result of strategic mergers or Joint ventures or acquisitions, which may result in larger competitors with significant resources, larger portfolio of services that benefit from economies of scale and scope. While we believe that we have an in – house research and development team to continuously upgrade the technology with the ever changing market condition, continuance of such an industry trend may place our Company in a disadvantaged position and may have a variety of negative effects on our competitive position and our financial results. If we are unable to provide our customers with superior products, services and solutions at competitive prices or successfully market those products and services to current and prospective clients, our business, results of operations and financial condition may suffer.

8. ***We have entered into agreements with some of our customers/ third parties. If our customers /third parties choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.***

Our Company has entered into agreements with some of our customers/third parties which contain provisions requiring us to maintain the services at or above certain minimum performance standards. There is no commitment on the part of the customer/ third party to continue to source their requirements from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers preferences and the customers may consequently amend or cancel the agreement prior to finalization. As per the mutually agreed terms of these contracts, if our Company is deficient or fails to meet specified standards, our Company may be liable to compensate the customer/ third party with liquidated damages or penalties, and in certain cases, the Customer/ third party may terminate the contract. Agreements entered by the Company with customers or other third-parties typically include clauses for indemnification under which the Company agrees to indemnify or otherwise be liable to them for losses suffered or incurred as a result of claims of Intellectual Property infringement, damages caused by the Company to property or persons or other liabilities relating to or arising from the use of our services or other acts or omissions. The term of these contractual provisions often survives termination or expiration of the applicable agreement. Large indemnity payments or damage claims from contractual breach could harm our business, results of operations and financial condition. Any dispute with a customer/ third party with respect to such obligations could have adverse effects on our relationship with that customer/ third party and other current and prospective customers reduce demand for our services and adversely affect our business, results of operations and financial condition.

There are also a number of factors other than our performance that are beyond our control that could cause the loss of a customer/ third party. Customers or other third-parties may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, or replace their existing services with alternative services, any of which may have an adverse effect on our business, results of operations and

financial condition.

- 9. *Our success largely depends upon the knowledge and experience of our Promoter and our Key Managerial Personnel and other skilled engineering professionals. It is critical to our business to attract, retain, train and optimally utilise these personnel and failure to do so may adversely affect our business, results of operation and financial condition.***

The continual efforts and performance of our Promoter, Key Managerial Personnel and skilled professionals is critical to our business, success and e growth. Further, our ability to create innovative service offerings and execute our project engagements depends largely on our ability to attract, train, motivate and retain skilled engineering professionals, especially project managers and mid-level professionals with skills that enable us to keep pace with growing demands and evolving industry standards. These Key Managerial Personnel or skilled professionals may choose to terminate their employment with us at any time. If our Company fails to retain or hire qualified personnel, our ability to obtain new projects and to continue to expand our service offerings will be impaired and our revenue could decline. There can be no assurance that we will be able to hire retain or replace enough skilled and experienced professionals/employees to meet our business requirements. Additionally, we may not be able to reassign or train our employees to keep pace with continuing changes in technology, evolving standards and changing customer preferences.

Furthermore, our ability to attract and retain skilled professionals is dependent on the compensation we offer them. If we are unable to offer them adequate compensation in accordance with industry standards, we may be unable to retain or attract such skilled professionals. Our business, financial condition and results of operations could be adversely affected if we are unable to retain our Key Managerial Personnel or skilled professionals or are unable to attract experienced and skilled Key Managerial Personnel or skilled professionals.

- 10. *Infringement of our Intellectual Property by unauthorized personnel may not only diminish our competitive advantage but may also result in our competitors developing similar technology, solutions, products or services which compete with services provided by our Company and may also be subjected to customer and/or third-party claims of Intellectual Property infringement, which may adversely affect our financial condition and results of operations.***

Our logo, brand name and trademark are neither registered nor has an application been made for registering the same. Our Company cannot guarantee that it will be able to prevent infringement or misappropriation of our Intellectual Property. The misappropriation or duplication of our Intellectual Property could disrupt our ongoing business, distract our management and employees, reduce our revenue and increase our expenses. Unauthorized use of our Intellectual Property may not only diminish our competitive advantage but may also result in our competitors developing similar technology, solutions, products or services which compete with our services. Our Company may also be subjected to customer and/or third-party claims of Intellectual Property infringement and on happening of such an eventuality our Company may be required to pay compensation or develop new technology or obtain a license or discontinue selling of the product, services that contains the infringed Intellectual Property. In order to enforce our Company's Intellectual Property rights or to determine the validity and scope of the proprietary rights of others we may need to litigate. The outcome of such litigation cannot be guaranteed in addition to being time consuming and expensive. Our inability to prevent violation or misuse of our Company's Intellectual Property and that of our customers could cause significant damage to our reputation and adversely affect our business, financial condition and results of operations.

Currently, our Company believes that our Intellectual Property rights do not infringe the Intellectual Property rights of any other party. However, as our Company expands into new geographical areas, technologies, solutions, the Company cannot assure that infringement claims will not be asserted against us in the future. Additionally proprietary rights are not protected adequately under the laws of India to the same extent as the laws prevalent in certain other countries (including the United States), therefore, our efforts to protect our Intellectual Property may not be adequate in other countries.

- 11. *We face risks associated with currency exchange rate fluctuations.***

Our Company derives significant portion of its revenues from exporting our services and products to various countries such as USA, UK and Middle East which help us gain foreign exchange earnings. For the Fiscal ending

March 31, 2015, 2016 and 2017 99.05%, 100% and 93.02% of our revenue was derived from customers outside India. The exchange rate between the Indian Rupee and other currencies is variable and may continue to fluctuate in future. Foreign currency fluctuations could result in losses and gains resulting from translation of foreign currency denominated balances on our balance sheet. Foreign currency fluctuations may affect our Company's profitability and additionally may also affect our ability to service our debt obligations. Given the complex global political and economic dynamics that affect exchange rate fluctuations, it is not viable to predict future fluctuations/ devaluations and the effect these fluctuations may have adverse effect upon our reported results or our overall financial condition.

**12. *If we are unable to maintain and enhance our brand and increase market awareness of our products and services, the sales of our products and services may suffer thereby affecting our business, results of operations and financial condition***

Our Company operates with a network of channel partners. Our Company's present and future results of operations depend upon our ability to successfully develop, maintain, increasing market awareness about our products and services. It is critical for us to advertise our services and products in order to increase our market presence to attract new customers. The successful promotion of our brand will depend largely on our continued marketing efforts, our ability to continue to offer high quality services and solutions and to successfully differentiate our services and products from those of our competitors. The promotion of our brand also requires us to make substantial expenditures, and we anticipate that these expenditures will increase as our market becomes more competitive and as we expand into new markets. There can be no assurance that incurring of expenditure on our brand promotion activities will yield successful or increased revenue. If we are unable to maintain or enhance our brand, we may lose our customer base thereby adversely affecting our business, results of operations and financial condition.

Additionally, any negative publicity regarding our Company, its products or services, including those arising from any deterioration in quality of our products or services, or any other unforeseen events could adversely affect our reputation resulting in loss of customer base thereby affecting our business, results of operations and financial conditions.

**13. *Our insurance coverage may not be adequate to cover all losses or liabilities that we may incur in our business and operations.***

Our Company maintains insurance against losses which could occur on account of natural and manmade causes of accidents, damage to infrastructure facilities and the environment. There could be situations where our insurance policies may not be sufficient in covering all the losses which we may suffer. If we suffer an event for which we are not adequately insured, there is a risk that it could have a material adverse effect on our business, results of operations and financial condition.

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, standard fire and special perils, burglary standard policy and group gratuity policy. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like loss of profits, terrorism. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant loss that is not insured or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

**14. *Our Promoter and Promoter Group have extended personal guarantees with respect to various loan facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition.***

Nallani Chakravarthi Venkata Rangacharya, Nallani Chakravarthi Padmaja and Nallani Chakravarthi Madhavi have extended personal guarantees in favour of certain banks with respect to facilities availed by our Company. Our lenders may require our Company to furnish alternate guarantees or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us in the event any of the given guarantees are revoked. There can be no guarantee that our Company will be capable

of arranging such substitute guarantees in a timely manner or at all. If our lenders decide to enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our business operations, financial condition as well as our further borrowing capabilities may be significantly hampered. For further details please refer to the chapter titled “*Financial Indebtedness*” on page 182 of this Prospectus.

- 15. *We do not own premises used by our Company and Subsidiaries. Disruption of our rights as lessee or termination of the agreements with our lessors would adversely impact our operations and, consequently, our business.***

We do not own the premises on which our Registered Office is situated and the same has been taken on lease which is valid until March 31, 2018. Similarly the registered office of two of our Subsidiaries, Apex Engineers (India) Private Limited and Apex Advanced Technology LLC have been taken on lease. Further, Cadsys Technologies LLC is operating from the premises for which there is no formal arrangement entered into. If any of the owners of these premises do not renew the agreements or renew such agreements on terms and conditions that are unfavorable to our Company or Subsidiaries, it may disrupt our business operations which could have a material adverse effect on our business, financial condition and results of operations. Further there can be no assurance that there would be no disruption of our rights as a lessee and that such lease agreements will not be terminated prematurely by the lessor. Any such non-renewal or early termination or any disruption of our rights as lessee will adversely affect our business, financial condition and results of operations.

- 16. *Our Company has availed certain unsecured loans that may be recalled by the lenders at any time which could adversely affect our cash flow position, our business, results of operation and financial condition of our Company.***

As on March 31, 2017 our Company has outstanding unsecured loans amounting to ₹ 161.31 lakhs from various lenders which are repayable on demand. Any unexpected demand or accelerated repayment may have a material adverse effect on our business, cash flows and financial conditions of our Company against which repayment is sought. Subsequently, our Company has repaid certain portion of the unsecured loans and as on July 31, 2017 our outstanding amount is ₹ 40.46 lakhs. For details of our unsecured loans, please refer to the chapter titled “*Financial Indebtedness*” on page 182 of this Prospectus.

- 17. *Our lenders have charge over our current assets in respect of finance availed by us. In the event our Company defaults on payments to be made such banks and financial institutions, the banks and financial institutions may forfeit the Company's property which could adversely effect on our business, financial condition and results of operations.***

Our Company has availed secured loan from bank by creating charge over current assets of our Company. As on March 31, 2017 and July 31, 2017 our Company's outstanding secured borrowing is ₹ 1051.19 lakhs and ₹ 1,384.34 lakhs respectively. In the event of default in repayment of the loan availed by us along with any interest thereof, the Company's properties may be forfeited by the banks and or financial institutions, which could have significant adverse effect on our business, financial condition and results of operations. For details of our secured borrowings, please refer to the chapter titled “*Financial Indebtedness*” on page 182 of this Prospectus.

- 18. *Our debt financing agreements contain certain restrictive covenants that may adversely affect our Company's business, credit ratings, prospects, results of operations and financial condition.***

Certain debt financing agreements that our Company has entered into contain restrictive covenants that limit our ability to undertake certain types of transactions. Under our debt financing agreements our Company is required to obtain lender consents prior to carrying out certain activities or entering into certain transactions. Furthermore the debt financing agreements also require us to maintain certain financial covenants.

There can be no assurance that our Company has complied with all such restrictive covenants in a timely manner or at all or that we will be able to observe compliance with all such restrictive covenants in the future. A failure to observe the restrictive covenants under our debt financing agreements or to obtain necessary consents required there under may result in termination of our financing agreements, levy of default interest, acceleration of all amounts due under such facilities and the enforcement of any security provided in relation thereto. Any acceleration of amounts due under such debt financing agreements may trigger cross-default or cross-

acceleration provisions under other debt financing agreements, which may compel us to dedicate a substantial portion of our cash flow from operations or sell certain assets to make such payments thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, in the event of any of the circumstances coming into effect our business, credit ratings, prospects, results of operations and financial condition may be adversely affected.

- 19. Some of our secretarial records are not traceable. Further there have been certain instances in the past wherein our Company has delayed in complying with reporting requirements to the RoC. Such instances in the future as well may require us to pay penalties.**

Some of our secretarial filings such as Form 2, Form 5, Form 23 and Form 32 are not traceable. Due to the absence of these records, our management has not been in a position to assess whether our Company has complied with its statutory obligations. Further, our Company, in certain instances in the past, has delayed in reporting requirements of some of the annual financial statements. Our Company had made an application for issue of immunity certificate under the Company Law Settlement Scheme, 2010 to the Registrar of Companies, Andhra Pradesh with respect to these delayed filings. RoC has granted an immunity to our Company from penalty and prosecution under the Companies Act, 1956 *vide* certificate dated September 27, 2010. While we ensure utmost diligence in complying with such reporting requirements, there can be no assurance that such delays will not occur in the future as well thereby exposing us to penalties.

- 20. Our Subsidiaries have incurred losses in the past. Continuous financial losses by our Subsidiaries may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation.**

Our Subsidiaries have incurred losses in Fiscals 2017, 2016 and 2015 the details of which are as below:

(₹ in lacs)

Name of the Subsidiaries	Fiscal 2017	Fiscal 2016	Fiscal 2015
Apex Engineers (India) Private Limited*	(15.62)	NA	NA
Cadsys Technologies LLC	(67.95)	(5.13)	53.80

\*Apex Engineers (India) Private Limited was a group company of our Company prior to Fiscal 2017.

There can be no assurance that these entities, or any other ventures promoted by our Promoter, will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses. Additionally, such losses incurred by our Subsidiaries may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation.

- 21. Two of our Subsidiaries have had negative networth in Fiscal Years 2016 and 2017.**

Two of our Subsidiaries have had negative networth in Fiscal Years 2016 and 2017, the details of which are as below:

(₹ in lacs)

Name of the Subsidiaries	Fiscal 2017	Fiscal 2016	Fiscal 2015
Apex Engineers (India) Private Limited	(77.52)	NA	NA
Cadsys Technologies LLC	(30.98)	(5.13)	NA

Our Subsidiaries may incur negative cash flows in the future as well which may have a material adverse effect on our business, prospects, results of operations and financial condition.

- 22. Our Company, in its consolidated and standalone financials, has reported certain negative cash flows from its operating activity, investing activity and financing activity. Sustained negative cash flow could impact our growth and business.**

Our Company has reported certain negative cash flows from our operating activities, investing activities and financing activities in the previous years as per the consolidated and standalone restated financial statements and the same are summarised as under:

*Consolidated Cash Flow Summary*

(₹ in lacs)

Particulars	For the year ended March 31				
	2017	2016	2015	2014	2013
Net cash flows generated from/ (used in) operating activities	653.32	506.82	418.97	843.37	415.35
Net cash flows generated from / (used in) investing activities	(1,326.57)	(80.39)	19.39	(195.01)	(197.95)
Net cash flows generated from / (used in) financing activities	1,194.99	(186.20)	(2.86)	(170.10)	249.91

*Standalone Cash Flow Summary*

(₹ in lacs)

Particulars	For the year ended March 31				
	2017	2016	2015	2014	2013
Net cash flows generated from/ (used in) operating activities	71.01	513.90	305.29	901.94	550.56
Net cash flows generated from / (used in) investing activities	(1,180.60)	(98.25)	0.19	(175.37)	29.44
Net cash flows generated from / (used in) financing activities	941.60	(151.79)	106.10	(296.51)	(108.93)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

**23. We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.**

As on March 31, 2017, our contingent liabilities and commitments (to the extent not provided for) as disclosed in the notes to our Financial Information, as restated aggregated to ₹ 1.72 Lacs. The details of our contingent liabilities are as follows:

Particulars	As at March 31, 2017 (₹ in Lacs)
Corporate Guarantee issued to Customes and Central Excise	1.72

Besides this, there may be certain contingent liabilities which are not quantifiable. If any of these contingent liabilities materialize, our results of operations and financial condition may be adversely affected. For further details of our contingent liabilities, see the chapter titled “*Financial Statements*” beginning on page 121 of this Prospectus.

**24. Our Company has issued Equity Shares in the last 12 months at a price which may be lower than the Issue Price**

We have in the last 12 months made certain issuances of Equity Shares to the Promoter, members of Promoter Group and other existing shareholders of our Company at a price which may be lower than the Issue Price. The Board, in its meeting held on November 12, 2016 approved the issue of bonus shares to our Company’s shareholders in the ratio of 4:1 (4 Equity Shares for every 1 share held) by utilizing ₹ 432.20 lacs from general reserves generated through accumulated profits. For further details, please refer to chapter titled “*Capital Structure*” on page 53 of this Prospectus.

**25. Our Promoter and one of our Director is on the board of a company which is engaged in a similar line of business as that of our Company. Further, our Promoter Group entity is also engaged in a similar line of business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our operations.**

Our Promoter and one of our Directors is on the board of our Promoter Group Entity, I Powerfour Technologies Private Limited which is engaged in a business which is similar to one of our lines of business. However, our Company has entered into a non – compete agreement dated July 29, 2017 with I Powerfour Technologies Private Limited to mitigate such conflict of interest. For further details please refer to the chapter “*History and Certain Corporate Matters – Material Agreements*” on page 97 of this Prospectus.

**26. *Our Company’s ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows, working capital requirements, capital expenditures and other factors.***

Our potential to disburse dividends in the future is dependent on a several factors such as our earnings, working capital requirements, contractual obligations, applicable legal restrictions and overall financial condition of our Company and other factors. Our Company has consistently paid dividends in the last 3 financial years however, there can be no assurance that our Company shall have distributable funds or that we will declare dividends in the future also. For further details, please refer to the chapter titled “*Dividend Policy*” on page 120 of this Prospectus. Additionally, any further finance obtained by the Company may contain restrictive covenants which may influence some of the rights of our shareholders, including the payment of the dividend.

**27. *Our Promoter, certain Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoter and certain of our Directors and Key Managerial Personnel, may be deemed to be interested in our Company in addition to regular remuneration or benefits and reimbursement of expenses incurred, to the extent of Equity Shares held by them and their relatives, the dividend or bonus entitlement, benefits arising from their directorship in our Company in addition to sitting fee payable to them for attending each of our Board and Committee meetings. Furthermore, our Promoter may be deemed to be interested to the extent of his directorship and equity shares held by him in the Promoter Group Entities. For details, please refer to the paragraphs titled *Interest of our Director* and *Interest of Key Managerial Personnel* in the chapter titled “*Our Management*”, the paragraph titled “*Our Promoter*” in the chapter titled “*Our Promoter and Promoter Group*” and chapter titled “*Related Party Transactions*”, on pages 104, 116 and 121 respectively of this Prospectus. There can be no assurance that our Promoter, Directors or Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter will continue to exercise significant control over us, including being able to control the composition of our Board and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoter may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders.

**28. *Our Promoter and Promoter Group will continue to exercise control post completion of the Issue and will have considerable influence over the outcome of matters.***

As of the date of this Prospectus, our Promoter and Promoter Group hold 65.84% pre-Issue share capital. Upon the completion of this Issue, our Promoter may continue to own majority of our equity shares which shall enable them to exercise significant influence over all matters requiring shareholders’ approval and control over our Company, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, relating to any sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. There can be no assurance that our Promoter will exercise their rights as shareholders to the benefit and best interests of our Company. For further details, please refer to section titled “*Capital Structure*” beginning on page 53 of this Prospectus.

**29. *In addition to our existing indebtedness for our existing operations, we may require further debt during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.***

As on July 31, 2017, our Company’s outstanding secured and unsecured borrowing (including interest) is ₹ 1,454.17 Lacs. Our Company may require added indebtedness during the regular course of our business, over and above the indebtedness for our existing operations. There can be no guarantee that our Company will be

able to acquire the new facilities at favorable terms. Increased borrowings, if any, may adversely affect our Company's debt-equity ratio and our ability to further borrow at competitive rates. Moreover our Company cannot assure you that the financial plan of our working capital requirements for a particular year will be precise and correct, and if calculated inaccurately may in turn lead to situations where we may be under-budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements. Such delays may lead to loss of reputation, levy of liquidated damages and an adverse effect on the cash flows of our Company. Any failure to execute our obligations under our financing agreements which may be entered into with our lenders could lead to termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled "*Financial Indebtedness*" on page 182 of this Prospectus.

**30. *Our Company's inability to maintain our market position and or successfully implement our business and growth strategy could have an adverse effect on our business, financial condition and profitability.***

Success of our business will depend greatly on our ability to effectively implement our business and growth strategy as well as maintain our market position. We cannot provide assurance that we will be able to execute our strategy on time and within the estimated budget, or that we will meet the expectations of targeted customers or able to maintain our current market position. Changes in regulations applicable to the industry in which we operate may also make it difficult to implement our business strategy and maintain our Company's market position. Inability on our part to maintain our market position or successfully implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

**31. *We require certain approvals and licenses in the ordinary course of our business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain or retain or renew such approvals and licenses or comply with such rules and regulations, in a timely manner or at all may adversely affect our business, financial condition and results of operations.***

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by certain regulatory and government authorities, for operating our business. If we fail to maintain such registrations and licenses or comply with applicable conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. For further information, see section "*Government and Other Statutory Approvals*" on page 190 of the Prospectus. There can be no assurance that the licenses, permits and approvals from third parties required for the operation will be issued or granted in a timely manner or at all to allow the uninterrupted operations. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, may adversely affect the continuity of our business and may hinder our operations in the future. Further, these approvals and licenses could be subject to several conditions, and we cannot assure you that we would be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, and this may lead to cancellation, revocation or suspension of relevant approvals or licenses, which may result in the interruption of our operations and may adversely affect our business, financial condition and results of operations.

**32. *Our inability to manage our growth and implement our expansion plans in a timely and efficient manner could disrupt our business and reduce our profitability.***

Our Company's business has expanded over the years and we expect such growth to continue in compliance to our expansion plans. In order to attain these goals our Company will be required to continue to develop and improve our technology, administrative, operational and financial systems and other internal controls. Our Company may face and expect to continue to face unexpected obstacles in the process of our growing operations, such as:

- adhering to and further improving our service standards;
- maintaining high levels of customer satisfaction;
- maintaining an effective internal control system and training employees to mitigate the risk of individuals engaging in unlawful or fraudulent activity;



- unforeseeable business risks;
- recruiting, training and retaining sufficient skilled technical, marketing and management personnel;
- making significant investments in recent years to keep pace with technological changes,
- assimilating and integrating disparate IT systems, personnel and employment practices, and operations of acquired companies;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems, including data management in our IT applications and management information systems;
- coordinating work among project teams (in India and abroad) and maintaining high resource utilization rates; and
- integration of any acquisition made by the Company;

While we believe our Company takes appropriate measures to retain knowledge capital, any inability on the part of the Company to execute these steps, manage our growth and implement our expansion plans in a timely and efficient manner could adversely affect our business and reduce our profitability.

**33. *Industry information included in this Prospectus has been derived from industry reports procured by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information or data is either absolute or accurate.***

Our Company has relied on the Nasscom Report, October 2015 and BPM Survey Findings 2014 prepared by Nasscom for purposes and other publicly available information, of inclusion of such information in this Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. While we believe that the data provided therein may be considered to be reliable, its accuracy, completeness and underlying assumptions are not guaranteed and hence its veracity cannot be assured. While we have taken reasonable precaution and care while replicating the information, no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics can be given by our Company since the information has not been independently verified by us, or any of our respective affiliates or advisors. There are no standard data gathering methodologies in the industry in which we conduct our business, and hence methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information as such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, such as market practice, collection methods, etc. Further, there can be no assurance that the report commissioned are confirmed or assembled on the same criteria's or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus.

## **EXTERNAL RISK FACTORS**

**34. *Our Company exports services predominantly to USA and also to countries like UK, Middle East and Australia. Any adverse events affecting these countries could have a significant adverse impact on our business, results of operations and financial condition***

Our Company exports products to various foreign countries from which it receives a significant portion of its income. Any adverse changes in these the economic conditions of those countries, including but not limited to acts of terrorism or hostility targeting these countries, slowdown in the economy etc. would directly impact our Company's revenues and results from operations. In the event of change in policies or laws in these regions with respect to quality standards, branding or restrictions on usage of certain products from certain origins, our financial condition and business operations may be adversely affected. In case of any contingencies in future due to which we are unable to operate effectively in these markets, our results from operations, revenues and profitability may be adversely affected.

**35. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our companies business and financial performance.***

Changes in law, rules, regulations or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations in India, which may be applicable to us and our business could adversely

affect our business and financial performance. The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/or policies, which may require us to obtain further approvals and licenses from the government and other regulatory bodies, or may impose arduous requirements and conditions on our operations, in addition to those requirements currently in place. In addition, we may have to incur further capital expenditures to comply with the requirements of new regulations, which may also harm our results of operations. Any changes to such laws, including the instances briefly mentioned below, may adversely affect our business, financial condition, results of operations and prospects. Any such changes and the related uncertainties with respect to the implementation of new regulations may have an adverse effect on our business, financial condition and results of operations and prospects.

Recently, the GoI has implemented a comprehensive national goods and services tax (regime with effect from July 1, 2017 that will combine taxes and levies by the Central and State Governments into a unified rate structure. Several provisions of the GST regime are currently ambiguous and we may have to change and adapt our systems and such changes might have a material adverse effect on our business, financial condition and results of operations. Any such future increases or amendments may affect the overall tax liability of Indian companies and may result in significant additional taxes becoming payable.

Applicability of various tax laws, rules and regulations prevalent now or in the future are subject to the interpretation of the appropriate tax authorities. Since most of the statutes and regulations that impose taxes have come into existence long before the rise of the era Information technology. Therefore any amendment in the current tax laws, rules and regulations or enactment of new adverse laws, rules or regulations or unfavorable interpretations of current or future laws may adversely affect our interests which could increase our tax payment (prospectively or retrospectively) and/or subject us to penalties. Furthermore, if our Company chooses to pass on such costs to our customers, it may result in a decrease in the demand for our services. Changes in capital gains tax or interpretations or tax on capital market transactions or sale of shares could affect investor returns which could have an adverse effect on our business and financial performance.

**36. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- i. the macroeconomic climate, including any increase in Indian interest rates or inflation;
- ii. fluctuations in exchange rate, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- iii. scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- iv. existing income among Indian consumers and Indian corporations;
- v. instability in, and actual or perceived trends in trading activity on, India's principal stock exchange;
- vi. changes in India's tax, trade, fiscal or monetary policies;
- vii. political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- viii. occurrence of natural calamities or man-made disasters;
- ix. prevailing regional or global economic conditions, including in India's principal export markets;
- x. other significant regulatory or economic developments in or affecting India or its IT sector;
- xi. international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- xii. protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- xiii. logistical and communications challenges;
- xiv. Financial instability in Indian financial markets;
- xv. difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis; and

- xvi. being subjected to the jurisdictions of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

**37. *Significant differences exist between Indian GAAP, used throughout our financial information and other accounting principles with which investors may be more familiar.***

As stated in the reports of our Auditor included in this Prospectus, our financial statements are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI (ICDR) Regulations, and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including IFRS. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

**38. *Certain companies in India, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the "ICDS"). The transition to Ind AS and ICDS in India is very recent and we may be negatively affected by such transition.***

Our Company's financial statements, including the restated financial information included in this Prospectus are prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations. Public Companies are required to prepare annual and interim financial statements under Indian Accounting Standard ("Ind AS"). The Ministry of Corporate Affairs vide a Notification dated February 16, 2015 introduced the Companies (Indian Accounting Standards) Rules, 2015 to be effective from April 1, 2015. The Indian Accounting Standard Rules provide for voluntary adoption of Ind AS by companies in financial year 2015 and, implementation of Ind AS will be applicable from April 1, 2016 to companies with a net worth of ₹5,000 million or more. Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be considerably different from financial statements prepared under IFRS.

While the adoption of Ind AS not mandatory for our Company or our subsidiaries, if adopted, there can be no assurance that the adoption of Ind AS by our Company will not adversely affect its results of operation or financial condition. Any failure by our Company to successfully adopt Ind AS in accordance with the given timelines may have an adverse effect on the financial position and results of operation.

**39. *The requirements of being a listed Company may strain our resources.***

We are not a listed company and have not been subjected to of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. Once we are listed, we will incur significant legal, accounting, corporate governance and other expenses that per not being incurred by us presently. SEBI (LODR) Regulations will be applicable to us which will require us to file audited annual and audited six (6) month reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a listed company we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, results of operations and financial condition and the price of our Equity Shares. In

addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely manner.

**40. *The price of the Equity Shares may be highly volatile after the Issue.***

The price of the Equity Shares on the stock exchange may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the apparel industry; adverse media reports on us or the Indian apparel industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

**41. *Any future issuance or sale of the Equity Shares by any existing shareholder could significantly affect the trading price of the Equity Shares.***

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

**42. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax law, capital gains arising from the sale of equity shares in an Indian Company are usually taxable in India. Any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax ("STT") has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Furthermore, any such gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India, if securities transaction tax has been paid on the transaction. Any gain realised on the sale of shares held for more than 36 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of equity shares held for a period of 36 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, may be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty executed between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of equity shares.

**43. *Under Indian law foreign investors are subject to foreign investment a restriction that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

As per the foreign exchange regulations currently in force in India, transfers of shares between nonresidents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**Prominent Notes:**

1. Investors may contact our Company Secretary and Compliance Officer and /or the Registrar to the Issue and / or the Lead Manager in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB giving details such as full name of the sole or first applicant, address, ASBA Form number, date of ASBA Form, DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Application and Designated Branch or collection center of SCSBs where the ASBA Application Form was submitted. Further, the investor shall also enclose the Acknowledgment Slip from the SCSBs in addition to the documents/information mentioned hereinabove.
2. Public Issue up to 21,00,000 Equity Shares of face value ₹ 10 each for cash at a price of ₹ 70 per Equity Share including a Share Premium of ₹ 60 per Equity Share, aggregating to ₹ 1,470 Lacs. The issue shall constitute 27.99 % of our post-issue paid up share capital of our Company.
3. Our Company's net worth as at March 31, 2017, as per our restated financial information on standalone and consolidated basis was ₹ 2,112.88 Lacs and ₹ 2,897.38 Lacs respectively. For further details, please refer to the section titled "*Financial Information*" on page 121 of this Prospectus.
4. The net asset value / book value per Equity Share as per the restated standalone and consolidated financial information as at March 31, 2017 is ₹ 39.11 and ₹ 53.63 respectively
5. The average cost of acquisition of Equity Shares by our promoter Mr. Nallani Chakravarthi Venkata Rangacharya is ₹ 1.45 as certified by M/s. Narven Associates, Chartered Accountants by the certificate dated July 31, 2017. The average cost of acquisition per Equity Share by our Promoter has been calculated by taking the average of the amounts paid by him to acquire the Equity Shares. For further details, please refer to section titled "*Capital Structure*" beginning on page 53 of this Prospectus.
6. Our Company was incorporated as '*Cadsys (India) Private Limited*' on July 23, 1992 under the Companies Act, 1956, with the Registrar of Companies, Andhra Pradesh, Hyderabad. Pursuant to a special resolution of our Shareholders dated March 29, 1995, our Company was converted into a public limited company and a fresh certificate of incorporation consequent to the conversion was issued to our Company by the Registrar of Companies, Andhra Pradesh, Hyderabad on June 8, 1995. Its CIN is U72200AP1992PLC014558. For details of changes in Registered Office of our Company, please refer to the section titled "*History and Certain Corporate matters*" on page 97 of this Prospectus.
7. Our Company has entered into related party transactions amounting to ₹ 173.00 lacs for Fiscal March 31, 2017. For details of related party transactions entered into by our Company, please refer to section titled "*Related Party Transactions*" beginning on page 121 of this Prospectus.
8. Except as disclosed in chapters titled "*Financial Statements*" and "*Our Promoter and Promoter Group*", and "*Capital Structure*" on pages 121, 116 and 53, respectively of this Prospectus, none of our Promoter, Directors and key managerial personnel have any business or other interest, other than to the extent of Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.
10. No part of the Issue proceeds will be paid as consideration to Promoter, Directors, Key Managerial Personnel or persons forming part of Promoter Group.

There has been no financing arrangement whereby our Promoter Group, Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of filing of the Prospectus.

## SECTION III: INTRODUCTION

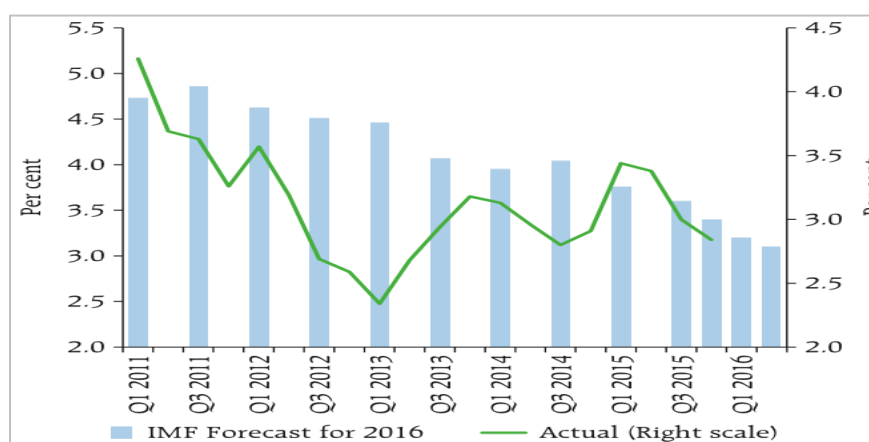
### SUMMARY OF INDUSTRY

*The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information*

#### Overview of Indian Economy

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). (Source: <http://indiainbusiness.nic.in/>). The Union Budget for 2017-18 has been announced by the Union Minister for Finance, Government of India, in Parliament on February 1, 2017 and the Economic growth is expected at 6.5 per cent in 2016-17. IMF expects India to grow at 7.2 per cent in 2017 and 7.7 per cent in 2018. (Source: Union Budget for Financial Year 2017-18)

The Indian economy has emerged as a bright spot in the world economy, becoming one of the fastest growing large economies in the world. The 7.6 per cent growth in the GDP at constant market prices in 2015-16, according to the advanced estimates of the Central Statistics Office, compares favorably with growth in the previous three years; 7.2 per cent in 2014-15, 6.6 per cent in 2013-14 and 5.6 per cent in 2012-13. It is noteworthy that this growth is estimated to be achieved despite subdued global demand that dampened India's exports significantly, and two consecutive below-normal monsoons that impacted farm output and productivity. (Source: RBI, Macro-Economic Framework Statement, 2016-17).



Indian economy at this juncture stands out amongst emerging market cohorts in terms of growth and investment potential. However, gross fixed capital formation needs a fillip while maintaining robust trends in consumption to sustain higher levels of growth. With the Government's commitment to continue on the path of fiscal discipline, the efforts on containing the revenue deficit and rationalising subsidies need to be reinforced. India's external sector indicators show a relatively stronger position. However, a faster growth in India's oil import in terms of volume in recent years makes it imperative to be alert to the risks of commodity cycle reversals. (Source: RBI Financial Stability Report – June 2016)

#### Overview of the IT and ITes Industry

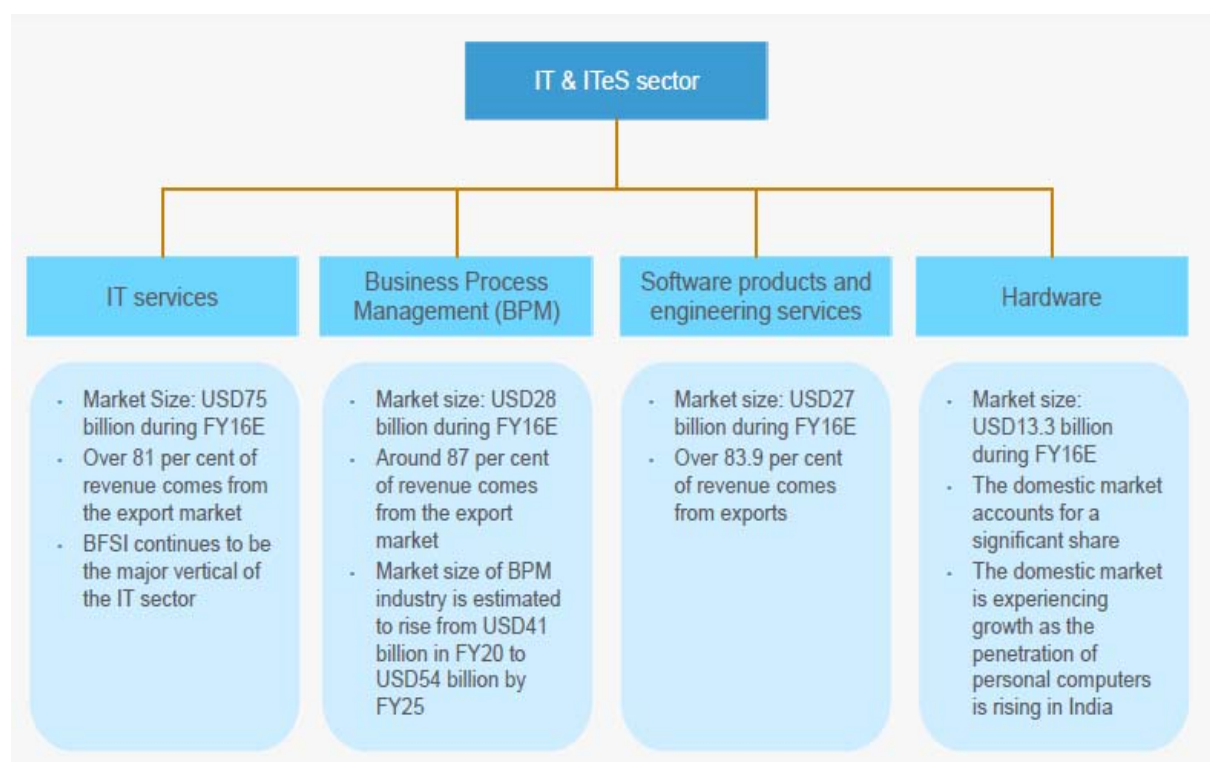
India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The industry employs about 10 million workforces. More importantly, the industry has led the economic transformation of the country and altered the perception of India

in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science.

The Indian IT and ITeS industry is divided into four major segments –

- i) IT services,
- ii) Business Process Management (BPM),
- iii) Software products and engineering services, and
- iv) Hardware.

(Source: <http://www.ibef.org/industry/information-technology-india.aspx>)



(Source: Sectoral Report, March 2017 available at <http://www.ibef.org/>)

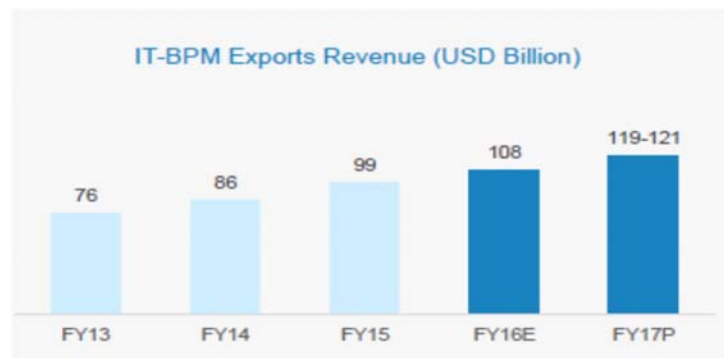
The IT-BPM sector which is currently valued at US\$ 143 billion is expected to grow at a Compound Annual Growth Rate (CAGR) of 8.3 per cent year-on-year to US\$ 143 billion for 2015-16. The sector is expected to contribute 9.5 per cent of India's Gross Domestic Product (GDP) and more than 45 per cent in total services export in 2015-16.

(Source: <http://www.ibef.org/industry/information-technology-india.aspx>)

### **Export of IT Services**

In FY16 the estimated revenue from exports of IT & BPM sector was USD108 billion. Global IT-BPM spending (excluding hardware) has grown 0.4 per cent over 2015 to nearly USD1.2 trillion.

India's IT industry amounts to 4.26 per cent of the global market, largely due to exports as of 2015. In 2015 India comprised of around 500 BPM players generating a revenue of USD23 billion, which is expected to reach 50 billion in 2020. During FY17 the country's revenue growth in IT exports is expected at 10 per cent.



(Source: <http://www.ibef.org/industry/information-technology-india.aspx>)

### Government Initiatives

Some of the major initiatives taken by the government to promote IT and ITeS sector in India are as follows:

- The Government of India has initiated smart city projects in 60 cities requiring significant use of GIS technology to implement these programmes (Source: [www.smartcities.gov.in](http://www.smartcities.gov.in))
- The Government of Telangana has signed an agreement with network solutions giant Cisco Systems Incorporation, to cooperate on a host of technology initiatives, including Smart Cities, Internet of Things, cybersecurity, digitisation of manuscripts;
- The Railway Ministry plans to give a digital push to the India Railways by introducing bar-coded tickets, Global Positioning System (GPS) based information systems inside coaches, integration of all facilities dealing with ticketing issues, Wi-Fi facilities at the stations, super-fast long-route train service for unreserved passengers among other developments, which will help to increase the passenger traffic;
- Department of Electronics & Information Technology and M/s Canbank Venture Capital Fund Ltd plan to launch an Electronics Development Fund (EDF), which will be a 'Fund of Funds' to invest in 'Daughter Funds' which would provide risk capital to companies developing new technologies in the area of electronics, nano-electronics and Information Technology (IT).
- Government of India is planning to develop five incubation centres for 'Internet of Things' (IoT) start-ups, as a part of Digital India and Startup India campaign, with at least two centres to be set up in rural areas to develop solutions for smart agriculture;
- The Government of India has launched the Digital India program to provide several government services to the people using IT and to integrate the government departments and the people of India;
- India and the US have agreed to jointly explore opportunities for collaboration on implementing India's ambitious Rs 1.13 trillion (US\$ 16.58 billion) 'Digital India Initiative'. The two sides also agreed to hold the US-India Information and Communication Technology (ICT) Working Group in India later this year.
- The Department of Electronics and Information Technology (DeitY) plans to start a digital literacy programme, aimed at training over six crore Indians in the next three years to empower them for digital inclusion.

(Source: <http://www.ibef.org/industry/information-technology-india.aspx>)



## SUMMARY OF OUR BUSINESS

The information in this section should be read together with, the detailed financial and other information included in this Prospectus, including the information contained in the sections titled “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Company*” and “*Financial Statements*” on pages 14, 171 and 121 respectively. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statements.

### Overview

Incorporated in the year 1992, we are a domain-focused GIS and engineering business technology service provider headquartered in Hyderabad, Telangana, India, with presence in the United States. We are primarily engaged in providing IT enabled services for geospatial, field engineering survey, software development and engineering design services in the domains like, telecom, CATV, oil & gas, electricity and other utilities. We leverage a differentiated business model through investments in pre-fabricated software components and frameworks to build enduring value for our customers. We have expanded our service portfolio with strategic acquisitions to emerge as a well-balanced player in the IT services segment.

We set up a software engineering facility in Hyderabad in the year 1996. Our Company has also been certified by ISO 9001:2015 for design, development, Production, Support of Geographical Information System and Engineering Services and ISMS Certificate – ISO/IEC 27001:2013 for Geographical Information System and Engineering Services business including all support functions of the organisation. Our clients include government departments and companies in telecom, power and other utility sectors.

Our customer engagements comprise holistic analysis of issues which span across people, process, technology, as well as learning and innovation.

We offered our services under the following Strategic Business Unit (SBUs) viz:

- A. Geospatial Engineering Services, Mapping services, Telecom and CATV services;
- B. Architecture and Engineering services;
- C. Software and e-learning services.

We provide GIS and mapping services in USA and India. We have more than 20 years of expertise and have mapped thousands of square miles of the earth’s surface. During the last 20 years we have successfully implemented complex enterprise GIS solutions for a wide variety of public and private sector clients.

Our Computer Aided Design (CAD) & Drafting team has a proven track record on Geospatial Engineering Services in terms of Data Conversion & Migration and Mapping Services like Data Capture & AM/FM Mapping to various domains such as Telecom, Utilities, Gas & Electricity.

A Geographic Information System (GIS) is a technological tool that helps us to understand geography better and assists in making intelligent decisions. This application is used in mining and oil exploration, flood control and disaster management, traffic management, crime control, waste disposal and environment management, sales ware housing and marketing, consumer applications – like navigational charts and location based services.

We are also involved in designing next-generation fibre networks/systems i.e. FTTx, HFC and DAS for telecommunication companies across the globe. Our offshore design methodology helps the customers in their business areas offering Triple Play services i.e. Voice, Data and Video, Broadband i.e. High-speed Internet and CATV. Our telecom engineering design team consists of a group of highly qualified and experienced professionals, technical experts who offer a broad range of engineering services for wired or wireless Information Technology and Telecom networks. Our team provides assistance and practical support on all aspects of Outside Plant Network Infrastructure and field operations. We help communications, engineering, and utility organizations more effectively to manage their people, data, and infrastructure.

We have specifically developed software Super Pro used for CATV and telecom customers to design their OSP network. This software has enabled us to bag new large projects from customers from leading silicon and internet

companies. We have also developed a comprehensive project management software for managing projects or large program with unique spatial intelligence. This software was conceptualized by experts in the field who have ensured that the features in software enable managing all the nuances of projects, objectively

We offer architecture and engineering services which includes mechanical, electrical & plumbing and building management system design. We also provide flexible, scalable content design, development/production services to our customers. Our innovative engineering services and enterprise software solutions help customers to gain a competitive advantage by enhancing productivity and improving quality of entire operation, from planning and installation to network maintenance and upgrades. The various services are detailed below.

Our growth and current business positioning is attributable to our recent past where we have proved the success of our inorganic strategies and our capabilities to manage growth. In the year 2016, one of our Subsidiary, Apex Advanced Technology LLC, has acquired the GIS business of US based company.

Our products and services cater to the companies involved in the business of communications, electric utilities, field services and municipals with electric, gas and water utilities. We have till date served a client base of 18 customers majorly located at United States, Middle East by a diverse workforce of over 500 employees operating at Hyderabad. We have successfully delivered over 50 projects till date. We have presence in the USA through our subsidiary offices in Maryland and Virginia.

We primarily employ graduates and post graduates in engineering and management who receive training in-house. We make continuous investments in human resources in order to service our clients and to serve the needs of our customers. In addition, we undertake training and skilled development programme by recruiting apprentice from apprentice board. Based on our Restated Consolidated Financial Statements, our total employee benefits expenses for the financial years ended 2017, 2016 and 2015 were 58%, 73% and 71% of our total expenditure.

Based on our Restated Consolidated Financial Statements, our revenue from operations were ₹4,257.47 Lacs, ₹2,984.15 Lacs, ₹2,354.36 Lacs, ₹2,000.45 Lacs and ₹1,369.18 Lacs and our profit after tax (after adjustment of share of minority interest) was ₹1,094.79 Lacs, ₹551.73 Lacs, ₹468.39 Lacs, ₹296.99 Lacs and ₹ 218.57 Lacs for the financial years ended 2017, 2016, 2015, 2014 and 2013 respectively.

### **Competitive Strengths**

We believe that the following are our principal competitive strengths, which differentiates us from other IT solutions providers:

#### ***Client – Relationship Capital***

We establish long-term relationships with our clients. With an unflinching commitment to ‘value based growth’ which has been the corner-stone of our existence, We have till date served a client base of 18 customers. Our broad range of service offerings helped us to cross-sell additional services to existing customers as well as to acquire new customers. We also conduct regular reviews with senior management of all our key clients to engage with them to provide consistent service and to identify and work on future opportunities. We combine our comprehensive range of service offerings with industry specific experiences and insights to provide tailored solutions to our clients across business verticals, industries and geographies. Our commitment to client satisfaction serves to strengthen our relationships. This relationship capital built over the years translates to a competitive strength as we are in a position to leverage these relationships to build scale.

#### ***Leverage quality processes and project management capabilities***

We leverage quality processes and project management capabilities. Our philosophy since inception has been in building and providing services through proprietary service delivery accelerators. Data integrity and land base accuracy are the key factors for effective use of GIS applications. In addition, a sanitized data can be properly leveraged for applications requiring higher levels of accuracy (work management, GPS, mobile/field, routing/navigation), as well as improve the day to day operational efficiencies of design and engineering.

We provide a comprehensive solution to address the need of our customers by using its proprietary conflation tool.

Our proven data conflation software solution enables utilities to align existing data with a new and more spatially accurate land base source. We specialize in providing highly accurate conflation and realignment solutions at substantially low costs, and thereby meeting the geospatial needs of organizations of varied strengths.

#### ***Glocalisation Delivery Model***

Our operations involve developing a workflow that balances the onshore customer service and offshore back office strengths. Consequently, our operations involve strategic presence in countries like United States, Middle East and Australia backed by strong offshore support from India.

Our blended onshore and offshore delivery model offers a smart balance of quality, cost savings and localizations. This model enables us to achieve consistently high standards of quality in our delivery organization while optimizing the costs for our clients.

#### ***Depth of experience and knowledge in targeted industry segments***

We actively track the industry trends, technologies, and markets that drive our customers businesses in our target industry verticals. We have invested in building a team of industry specialists who have an understanding of the industries in which our customers operate and the competencies that they require. We have established competency centers, across our domain, product engineering and platform expertise that are cross-functional teams which identify opportunities and develop capabilities to differentiate, support and promote our core businesses.

#### ***Quality Talent and Experienced Leadership Team***

The senior management team includes some of the most experienced managers in the Indian IT services industry. Some of our senior management team have been with us for approximately 10 (ten) years and have been instrumental in the growth of our Company. Our Promoter and Managing Director is recognised as one of the pioneers in the IT services industry. He is the member on the Board of Governors at Tiruchirappalli Regional Engineering College (TREC), Science and Technology Entrepreneurs Park (STEP). A cohesive team of our experienced senior management coupled with trained managers and skilled employees enables us to identify new avenues of growth, and help us to implement our business strategies in an efficient manner and to continue to build on our track record of successful projects.

#### ***Our Strategy***

We seek to further enhance our position as a leading provider of integrated IT enabled Solutions and Services, to achieve this goal we seek to:

##### ***Focus on deepening and strengthening our relationships with our customers***

Over the years, we have developed strong relationships with our clients. Given the nature of our service, our success depends on our ability to help clients deliver more value to their customers. Towards this, we conduct periodic market scans to identify technologies with the potential for achieving significant improvements in the manner in which processes were hitherto being managed. We intend to continue building our long term relationships and strengthen and deepen our relationships with our customers by expanding our service offerings.

##### ***Focus on fibre engineering design for telecommunication clients***

We aim to use our technologies to assist utility providers and field service companies for effective performance of their work by automating work processes and reducing work content to lower their engineering and field services costs. We intend to offer our customers the most cost effective engineering services and field data collection services. In order to achieve the same, we will build a network of field data collection strategic partners that are bound together by common business tools and processes. This helps to gather field data and make engineering designs more efficiently and with better quality. Our recently developed Spatial RPM product compared to legacy engineering methods can generate 50% improvement in productivity with higher data quality creating unprecedented value to our customers.

### ***Expansion of our global capabilities***

We intend to strengthen our global presence with the goal of increasing market share in the communications, utility, and field services markets by offering high quality services and solutions that create value for our customers and long-term customer relationships. As on date, our marketing offices are situated in Herndon (Virginia) and Silver spring (Maryland). We intend to further expand our global presence, which will provide us with greater competitive advantages in acquiring and servicing our global clients. Going forward, we propose to expand our operations in Other European Countries, Asia-Pacific markets and Middle Eastern countries. Our enterprise solution being a cloud based, technology is easily accessible and deployable beyond Geographical limitations with scalable capabilities.

### ***Innovative and Cutting Edge Technology***

We intend to expand our research and development capabilities to develop innovative products with cutting edge technology so as to be future ready with a wide range of product offerings with multiple technologies on various platforms catering to different industries. The entire technology platform evolution has gone through numerous iterations based on customer need, real time effectiveness, utility, feasibility and feedback. We believe in simplifying the efforts of field force using technology with ease and make it a measurable productivity.

### ***Invest in Human Capital***

As a people-based business, we continue to invest in the development of our professionals and to provide them with entrepreneurial opportunities and career development and advancement. Our technology, business consulting and project management councils ensure that each client team learns best practices being developed across our industry. We believe this will result in a team of motivated professionals armed with the ability to deliver high-quality and high-value services for our clients.

Our Company strongly believes not only in keeping up with latest technology developments and quick adoption of the same but also in investing in right set of people at various levels. We intend to establish a Centre of Excellence which shall have the latest infrastructure, technology and facilities to enable our employees to train further and obtain new skill sets. The Centre of Excellence shall train new recruits and make them capable to be directly deployed in the business of our Company so as to ensure seamless deployment of our products and servicing of clients. We encourage and organise in-house technology discussion & knowledge sharing sessions to innovate new modes of development & incorporate new technologies to enhance our solution capability.

## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary of our standalone and consolidated restated financial information for and as of Fiscals 2013, 2014, 2015, 2016 and 2017. These financial statements have been prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the Companies Act and the SEBI (ICDR) Regulations and are presented in the chapter titled “*Financial Statements*” on page 121 of this Prospectus. The summary financial statements presented below should be read in conjunction with our Restated Financial Statements, the notes and annexure thereto and the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 171 of this Prospectus.

### RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in lacs)

Sr. No.	Particulars	As at March 31,				
		2017	2016	2015	2014	2013
<b>A</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1</b>	<b>Shareholders’ funds</b>					
	(a) Share capital	540.25	108.05	108.05	108.05	108.05
	(b) Reserves and surplus	2,357.13	1,696.67	1,168.41	766.72	588.12
	Minority Interest	-	1.42	1.43	0.06	-
<b>2</b>	<b>Non-current liabilities</b>					
	(a) Long-term Borrowings	1,650.74	160.76	296.49	106.83	77.32
	(b) Deferred Tax Liabilities (Net)	(28.59)	32.59	28.20	0.68	0.76
	(c) Other Long-term Liabilities	16.21	18.90	32.00	153.83	13.60
	(d) Long -term provisions	44.96	27.22	27.22	32.25	42.82
<b>3</b>	<b>Current liabilities</b>					
	(a) Short-term Borrowings	72.33	209.95	42.24	47.02	212.36
	(b) Trade payables	547.98	46.05	23.70	62.60	21.69
	(c) Other current liabilities	266.30	483.88	415.37	249.78	187.57
	(d) Short-term provisions	(1.10)	78.85	194.76	149.45	50.75
	<b>TOTAL</b>	<b>5,466.21</b>	<b>2,864.34</b>	<b>2,337.87</b>	<b>1,677.27</b>	<b>1,303.04</b>
<b>B</b>	<b>ASSETS</b>					
<b>1</b>	<b>Non-current assets</b>					
	<b>(a) Fixed assets</b>					
	(i) Tangible assets	1,308.27	1,294.89	1,121.32	1,101.61	968.61
	(ii) Intangible assets	1,499.82	201.15	221.93	209.34	142.15
	Capital work in progress	-	-	-	-	-
	Goodwill on consolidation	86.36	-	-	-	-
	<b>TOTAL GROSS BLOCK</b>	<b>2,894.44</b>	<b>1,496.03</b>	<b>1,343.25</b>	<b>1,310.95</b>	<b>1,110.76</b>
	Less : Accumulated Depreciation	1,336.03	1,018.56	933.82	898.60	779.29
	<b>NET BLOCK</b>	<b>1,558.41</b>	<b>477.48</b>	<b>409.42</b>	<b>412.36</b>	<b>331.47</b>
	(b) Deferred Tax Assets (Net)					
	(c) Non Current Investments	74.37	51.49	30.56	10.74	-
	(d) Long-term loans and advances	154.73	272.26	202.57	200.96	223.74
	(e) Other non- current assets	-	-	-	-	-
<b>2</b>	<b>Current assets</b>					
	(a) Current Investments	-	-	-	-	-
	(b) Trade receivables	932.66	346.65	230.96	32.18	180.05
	(c) Cash and cash equivalents	2,175.01	1,637.27	1,394.64	945.90	473.36
	(d) Short-term loans and advances	118.24	34.06	37.49	66.00	90.13
	(e) Other current assets	452.80	45.13	32.26	9.12	4.29
	<b>TOTAL</b>	<b>5,466.21</b>	<b>2,864.34</b>	<b>2,337.87</b>	<b>1,677.27</b>	<b>1,303.04</b>

**RESTATED CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNTS**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Income</b>					
Revenue from operations	4,257.48	2,984.15	2,354.37	2,000.46	1,369.18
Other income	106.12	215.17	86.58	105.04	61.79
<b>Total Revenue(A)</b>	<b>4,363.60</b>	<b>3,199.32</b>	<b>2,440.95</b>	<b>2,105.50</b>	<b>1,430.97</b>
<b>Expenditure</b>					
Employee Benefit Expense	1,558.76	1,595.64	1,104.58	1,117.35	549.50
Other Operating Expenses	1,113.16	594.83	453.94	398.65	482.64
Depreciation and amortization expense	317.47	110.37	91.03	147.64	144.75
Financial costs	157.37	88.12	61.34	34.26	16.95
<b>Total Expenses(B)</b>	<b>3,146.76</b>	<b>2,388.96</b>	<b>1,710.89</b>	<b>1,697.90</b>	<b>1,193.84</b>
<b>Restated earnings before extraordinary items</b>	<b>1,216.84</b>	<b>810.36</b>	<b>730.06</b>	<b>407.60</b>	<b>237.12</b>
Prior period items (Net)	-	-	-	-	-
<b>Profit before exceptional, extraordinary items and tax (A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Exceptional Items	-	-	-	-	-
<b>Profit before extraordinary items and tax (A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Extraordinary Items	-	-	-	-	-
<b>Restated profit before tax</b>	<b>1,216.84</b>	<b>810.36</b>	<b>730.06</b>	<b>407.60</b>	<b>237.12</b>
<b>Tax expense:</b>					
(a) Current tax Expense	181.05	254.39	231.37	111.49	54.54
(b) Minimum alternate tax credit entitlement	-	-	-	-	(49.49)
(c) Deferred tax Expense / (Income)	(61.17)	4.39	27.51	(0.08)	13.50
(d) Earlier Year Taxes	-	-	1.72	(0.81)	-
<b>Total tax expense / (credit)</b>	<b>119.88</b>	<b>258.78</b>	<b>260.60</b>	<b>110.61</b>	<b>(18.55)</b>
<b>Profit / (Loss) after tax before Minority Interests</b>	<b>1,096.96</b>	<b>551.58</b>	<b>469.46</b>	<b>296.99</b>	<b>218.57</b>
Less: Minority Interests	2.17	(0.16)	1.06	-	-
Share of results of associate	-	-	-	-	-
<b>Restated profit for the year</b>	<b>1,094.79</b>	<b>551.74</b>	<b>468.40</b>	<b>296.99</b>	<b>218.57</b>

**RESTATED CONSOLIDATED STATEMENT OF CASH FLOW**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Cash Flow from operating activities</b>					
Profit Before Tax and share of associate	1,216.84	810.36	730.06	407.60	218.57
<b>Adjustments For:</b>					
Depreciation and Amortization Expense	317.47	110.37	91.03	147.64	144.75
Finance Costs	157.37	88.12	61.34	34.26	16.95
Interest Income	(95.53)	(109.73)	(75.06)	(35.94)	(7.07)
Loss on Sale of Vehicle	-	2.02	-	-	-
Gain On sale of software	-	(8.17)	-	-	-
Dividend Income	(4.38)	(2.93)	(1.82)	(0.24)	-
Credit Balances Written Off	-	-	(0.22)	-	-
Debit Balances Written Off	101.86	67.50	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>1,693.63</b>	<b>957.53</b>	<b>805.33</b>	<b>553.32</b>	<b>373.20</b>
<b>Movement in Working Capital:</b>					
Adjustments for (Increase) / Decrease in operating assets					
Long-term loans and advances	15.67	(69.69)	(1.61)	22.78	(85.61)
Trade Receivables	(586.00)	(183.20)	(198.77)	147.87	(31.13)
Short Term Loans & Advances	(100.69)	3.43	(10.65)	2.94	(70.78)
Other Current Assets	(407.68)	(12.87)	(23.14)	(4.83)	4.00
Adjustments for Increase / (Decrease) in operating liabilities					
Other Long Term Liabilities	(2.69)	68.50	(121.83)	140.23	13.60
Long Term Provisions	17.74	-	(5.03)	(10.57)	32.82
Trade Payables	501.93	22.34	(38.89)	40.91	17.06
Other Current Liabilities	(217.57)	(13.10)	165.81	62.21	117.95
Short Term Provision	(79.96)	-	-	-	30.73
<b>Cash Generated from Operations</b>	<b>834.37</b>	<b>772.95</b>	<b>571.22</b>	<b>954.86</b>	<b>401.85</b>
Income Tax Paid	(181.05)	(266.13)	(152.24)	(110.61)	13.50
<b>Net Cash Flow from/ (used in) Operating Activities (A)</b>	<b>653.32</b>	<b>506.82</b>	<b>418.97</b>	<b>844.25</b>	<b>415.35</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Payments for Purchase of Fixed Assets & Goodwill others	(1,402.18)	(196.86)	(37.99)	(227.10)	(205.02)
Payments for Purchase of Mutual Funds	(22.87)	(20.93)	(19.82)	(10.74)	-
Interest Income	95.53	109.73	75.06	35.94	7.07
Income/Dividends from Long Term Investments	4.38	2.93	1.82	0.24	-
Change in Minority Interest	(1.42)	0.15	0.32	0.04	-
Sale of Software	-	24.59	-	-	-
<b>Net Cash Flow Used in Investing Activities (B)</b>	<b>(1,326.57)</b>	<b>(80.39)</b>	<b>19.39</b>	<b>(201.62)</b>	<b>(197.95)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Long Term Borrowings	1,489.98	(135.73)	189.67	29.51	71.86
Repayment of Short Term Borrowings	(137.62)	167.71	(4.77)	(165.35)	195.01
Issue of Equity Shares	-	-	-	-	-
Finance Costs Paid	(157.37)	(88.12)	(61.34)	(34.26)	(16.95)

Dividend and Dividend Distribution Tax Paid	-	(130.05)	(126.41)	-	-
<b>Net Cash Generated from Financing Activities (C)</b>	<b>1,194.99</b>	<b>(186.20)</b>	<b>(2.86)</b>	<b>(170.10)</b>	<b>249.91</b>
Effect of Exchange Differences on translation of foreign currency cash and Cash Equivalents	15.99	2.41	13.23	-	-
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>537.73</b>	<b>242.64</b>	<b>448.74</b>	<b>472.53</b>	<b>467.31</b>
<b>Cash &amp; Cash Equivalents as at beginning of the year</b>	<b>1,637.27</b>	<b>1,394.64</b>	<b>945.90</b>	<b>473.36</b>	<b>6.05</b>
<b>Cash &amp; Cash Equivalents As at end of the year</b>	<b>2,175.01</b>	<b>1,637.27</b>	<b>1,394.64</b>	<b>945.90</b>	<b>473.36</b>



**RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES**

(₹ in lacs)

Sr. No.	Particulars	As at March 31,				
		2017	2016	2015	2014	2013
<b>EQUITY AND LIABILITIES</b>						
1)	<b><u>Shareholders' Funds</u></b>					
	a. Share Capital	540.25	108.05	108.05	108.05	108.05
	b. Reserves & Surplus	1,572.63	1,736.83	1,203.27	834.92	646.55
2)	Share Application Money Pending Allotment	-	-	-	-	
3)	<b><u>Non Current Liabilities</u></b>					
	a. Long Term Borrowings	1,166.74	157.73	296.49	106.83	68.30
	b. Deferred Tax Liabilities	(22.23)	32.59	28.20	0.68	0.76
	c. Other Long Term Liabilities	131.91	2.32	0.17	120.20	10.00
	c. Long Term Provisions	36.23	27.22	27.22	32.25	-
4)	<b><u>Current Liabilities</u></b>					
	a. Short Term Borrowings	62.37	209.95	42.24	47.02	291.94
	b. Trade Payables	339.15	5.52	23.70	62.60	21.69
	c. Other Current Liabilities	367.10	428.80	371.93	206.52	76.73
	d. Short Term Provisions	(0.07)	78.85	194.76	149.45	89.93
<b>T O T A L</b>		<b>4,194.08</b>	<b>2,787.87</b>	<b>2,296.04</b>	<b>1,668.51</b>	<b>1,313.95</b>
<b>ASSETS</b>						
1)	<b><u>Non Current Assets</u></b>					
	a. Fixed Assets	-	-	-	-	-
	i. Tangible Assets	1,304.96	1,294.89	1,121.32	1,101.61	941.60
	Less: Accumulated Depreciation	1,065.46	818.36	737.43	745.28	623.10
	ii. Intangible Assets	-	0.71	12.18	29.63	12.95
	iii. Intangible Assets under development	-	-	-	-	-
	iv. Capital Work in Progress					
	<b><i>Net Block</i></b>	239.50	477.23	396.06	385.96	331.44
	b. Deferred Tax Assets (Net)					
	c. Non-current Investments	1,372.67	101.62	80.69	10.74	-
	d. Long Term Loans & Advances	189.23	284.48	215.71	273.53	245.22
	d. Other Non Current Assets	-	-	-	-	-
2)	<b><u>Current Assets</u></b>					
	a. Current Investment					
	b. Inventories	-	-	-	-	-
	c. Trade Receivables	686.42	274.90	226.65	28.05	180.05
	d. Cash and Cash Equivalents	1,408.57	1,576.55	1,312.70	901.13	471.07
	e. Short Term Loans & Advances	15.34	5.73	10.85	59.98	7.76
	f. Other Current Assets	282.36	67.35	53.38	9.12	78.40
<b>T O T A L</b>		<b>4,194.08</b>	<b>2,787.87</b>	<b>2,296.04</b>	<b>1,668.51</b>	<b>1,313.95</b>

**RESTATED STANDALONE STATEMENT OF PROFIT & LOSS**

(₹ in lacs)

Sr. No.	Particulars	As at March 31,				
		2017	2016	2015	2014	2013
<b>A</b>	<b>INCOME</b>					
	Revenue from Operations	2,730.47	2,916.51	2,228.66	1,920.27	1,367.60
	Other Income	102.99	238.19	86.58	110.34	71.77
	<b>Total Income (A)</b>	<b>2,833.46</b>	<b>3,154.71</b>	<b>2,315.24</b>	<b>2,030.61</b>	<b>1,439.38</b>
<b>B</b>	<b>EXPENDITURE</b>					
	Cost of Material Consumed	-	-	-	-	-
	Purchase of Stock in Trade	-	-	-	-	-
	Changes in inventories of finished goods, traded goods and work-in-progress	-	-	-	-	-
	Employee benefit expenses	1,137.73	1,595.64	1,104.58	1,074.73	549.50
	Finance costs	128.53	88.12	61.34	34.26	16.95
	Depreciation and amortization expense	247.88	102.18	80.69	146.29	144.75
	Other Expenses	925.07	550.42	366.68	349.94	480.84
	<b>Total Expenses (B)</b>	<b>2,439.23</b>	<b>2,336.36</b>	<b>1,613.29</b>	<b>1,605.22</b>	<b>1,192.04</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax</b>	<b>394.23</b>	<b>818.35</b>	<b>701.95</b>	<b>425.39</b>	<b>247.34</b>
	Exceptional items	-	-	-	-	-
<b>D</b>	<b>Profit before extraordinary items and tax</b>	<b>394.23</b>	<b>818.35</b>	<b>701.95</b>	<b>425.39</b>	<b>247.34</b>
	Extraordinary Expenses (CSR)					
<b>F</b>	<b>Profit before tax</b>	<b>394.23</b>	<b>818.35</b>	<b>701.95</b>	<b>425.39</b>	<b>247.34</b>
	<i>Tax expense:</i>					
	(i) Current tax	181.05	254.39	231.37	111.49	(54.54)
	(ii) Mat Credit	-	-	-	-	49.49
	(iii) Deferred tax Expense / (Income)	(54.82)	4.39	27.51	(0.08)	(13.50)
	(iv) Short/(Excess) provision of earlier years	-	-	1.72	(0.81)	-
<b>G</b>	<b>Total Tax Expense</b>	<b>126.23</b>	<b>258.78</b>	<b>260.60</b>	<b>110.61</b>	<b>(18.55)</b>
<b>H</b>	<b>Profit for the year (D-E)</b>	<b>268.00</b>	<b>559.57</b>	<b>441.34</b>	<b>314.78</b>	<b>228.79</b>
	<b>ACTUAL</b>					
	Earning per equity share (face value of ₹ 10/- each): Basic and Diluted (₹)	4.96	51.79	40.85	29.13	21.17
	Adjusted Earning per equity share (face value of ₹ 10/- each): Basic and Diluted (₹)	-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	<b>Change in Profit due to Restatement</b>	<b>268.00</b>	<b>559.57</b>	<b>441.34</b>	<b>314.78</b>	<b>228.79</b>

**RESTATED STANDALONE STATEMENT OF CASH FLOW**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Profit Before Tax</b>	<b>394.23</b>	<b>818.35</b>	<b>701.95</b>	<b>425.39</b>	<b>247.34</b>
<b>Adjustments For :</b>					
Depreciation and Amortization Expense	247.88	102.18	80.69	146.29	144.75
Loss/ (profit) on sale of fixed assets (net)	-	2.02			
Finance Costs	128.53	88.12	61.34	34.26	16.95
Interest Income	(94.89)	(109.73)	(75.06)	(35.94)	(7.07)
Employee Stock Option Charge			-		
Net loss/(gain) on foreign exchange fluctuations (unrealised)			-		
Liabilities no longer required written back			-		
Impairment of goodwill on consolidation			-		
Advances and bad debts written off (Net)			-		
Provision for/(reversal of) doubtful advance and receivables			-		
Provision for insurance claim receivable			-		
Gratuity and compensated absences			-		
Dividend Income	(4.38)	(2.93)	(1.82)	(0.24)	-
Credit Balances Written Off	-	-	(0.22)	3.06	56.25
Transfer to share capital for bonus shares	(432.20)	-	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>239.17</b>	<b>898.01</b>	<b>766.88</b>	<b>572.82</b>	<b>458.22</b>
Foreign currency translation adjustments			-		
<b>Movement in Working Capital :</b>					
Adjustments for (Increase) / Decrease in operating assets					
Long-term loans and advances	95.25	(68.77)	7.70	(28.31)	93.58
Trade Receivables	(411.51)	(48.25)	(198.60)	148.94	(31.13)
Short Term Loans & Advances	(19.61)	3.89	(10.13)	21.89	(6.10)
Other Current Assets	(206.33)	(8.26)	-	(4.91)	-
Adjustments for Increase / (Decrease) in operating liabilities					
Other Long Term Liabilities	129.59	2.15	(120.03)	120.20	-
Long Term Provisions	9.01	-	(5.03)	(10.57)	-
Trade Payables	333.63	(18.18)	(38.89)	40.91	17.06
Other Current Liabilities	135.78	19.43	56.68	52.87	10.73
Short Term Provision	-	-	-	98.70	19.15
<b>Cash from Operations</b>	<b>304.98</b>	<b>780.03</b>	<b>458.57</b>	<b>1,012.54</b>	<b>561.51</b>
Income Tax Paid	(233.97)	(266.13)	(153.28)	(110.61)	(10.95)
<b>Net Cash Flow from/ (used in) Operating Activities (A)</b>	<b>71.01</b>	<b>513.90</b>	<b>305.29</b>	<b>901.94</b>	<b>550.56</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Payments for Purchase of Fixed Assets & Goodwill others	(10.15)	(189.87)	(33.73)	(200.81)	(284.50)
Proceeds from sale of fixed assets	-	4.50	-	-	-
Payments for Purchase of Mutual Funds	(1,266.67)	(18.00)	(18.00)	(10.50)	-
Interest Income	96.22	105.12	51.93	35.94	3.94
Sale of Investments	-	-	-	-	310.00

Income/Dividends from Long Term Investments	-	-	-	-	-
<b>Net Cash Flow Used In Investing Activities (B)</b>	<b>(1,180.60)</b>	<b>(98.25)</b>	<b>0.19</b>	<b>(175.37)</b>	<b>29.44</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Long Term Borrowings	811.53	167.71	298.62	29.51	62.84
Repayment of Short Term Borrowings	(147.58)	(101.33)	(4.77)	(165.35)	274.59
Issue of Bonus Shares	432.20	-	-	-	-
Change in Minority Interest			-		
Amount paid for takeover of the company					(435.25)
Finance Costs Paid	(128.53)	(88.12)	(61.34)	(34.26)	(16.95)
Dividend and Dividend Distribution Tax Paid	(26.01)	(130.05)	(126.41)	(126.41)	5.85
<b>Net Cash Generated from Financing Activities (C)</b>	<b>941.60</b>	<b>(151.79)</b>	<b>106.10</b>	<b>(296.51)</b>	<b>(108.93)</b>
Effect of Exchange Differences on translation of foreign currency cash and Cash Equivalents			-	-	
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(167.99)	263.86	411.58	430.06	471.07
Add: Cash & Cash Equivalents As at 31st March of the year	1,576.55	1,312.70	901.13	471.07	-
<b>Cash &amp; Cash Equivalents As at 31st March,2017</b>	<b>1,408.57</b>	<b>1,576.55</b>	<b>1,312.70</b>	<b>901.13</b>	<b>471.07</b>
<b>Notes:</b>					
<b>Components of Cash and Cash Equivalents:</b>					
Cash in hand	0.13	0.10	0.13	0.13	0.08
Balances with banks					
In current accounts	31.66	4.88	11.73	8.10	154.82
In EEFC accounts	-	22.76	67.56	205.01	37.16
In Fixed Deposit accounts	1,376.78	1,548.81	1,233.28	687.88	279.02
Deposits with original maturity of less than three months	-	-	-	-	-
<b>Total Cash and Cash Equivalents</b>	<b>1,408.57</b>	<b>1,576.55</b>	<b>1,312.70</b>	<b>901.13</b>	<b>471.07</b>

## THE ISSUE

Below is the summary of the Issue:

<b>A. Issue of Equity Shares</b>	Up to 21,00,000 Equity Shares of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ 70 per Equity Share aggregating to ₹ 1,470 lakhs.
<b>Out of which:</b>	
Market Maker Reservation Portion	Up to 1,08,000 Equity Shares of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ 70 per Equity Share aggregating to ₹ 75.60 lakhs.
Net Issue to the Public*	Up to 19,92,000 Equity Shares of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ 70 per Equity Share aggregating to ₹ 1,394.40 lakhs.
<b>Out of which:</b>	
Allocation to Retail Individual Investors for upto ₹ 2.00 lakhs	Up to 9,96,000 Equity Shares of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ 70 per Equity Share aggregating to ₹ 697.20 lakhs.
Allocation to other than Retail Investors for above ₹ 2.00 lakhs	Up to 9,96,000 Equity Shares of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ 70 per Equity Share aggregating to ₹ 697.20 lakhs.
<b>Pre and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	54,02,500
Equity Shares outstanding after the Issue	75,02,500
<b>Objects of the Issue</b>	Please refer the chapter titled “Objects of the Issue” on page 64 of this Prospectus

- This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. For further details, please refer to section titled “Issue Related Information” on page 201 of this Prospectus.*
- The present issue has been authorised by our Board by way of resolution passed at its meeting held on July 3, 2017 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM held on July 24, 2017.*
- \*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net issue to the public category shall be made as follows:*
  - Minimum fifty percent to retail individual investors; and*
  - Remaining to:*
    - Individual applicants other than retail individual investors; and*
    - Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*
  - The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.*

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

## GENERAL INFORMATION

Our Company was incorporated as ‘Cadsys (India) Private Limited’ on July 23, 1992 under the Companies Act, 1956, with the Registrar of Companies, Andhra Pradesh, Hyderabad. Pursuant to a special resolution of our Shareholders dated March 29, 1995, our Company was converted into a public limited company and a fresh certificate of incorporation consequent to the conversion was issued to our Company by the Registrar of Companies, Andhra Pradesh, Hyderabad on June 8, 1995. The CIN of our Company is U72200AP1992PLC014558.

### Registered Office of our Company

#### **Cadsys (India) Limited**

3-5-900/1, IVth Floor,  
Aparajitha Arcade,  
Himayathnagar, Hyderabad – 500029  
Telangana, India  
**Telephone:** +91-40-2322-4110;  
**Facsimile:** +91-40-2322-3984;  
**E – mail:** [cs@cadssystem.com](mailto:cs@cadssystem.com)  
**Website:** [www.cadssystem.com](http://www.cadssystem.com)

For details of change in name and Registered Office, please refer to the chapter titled “History and Other Corporate Matters” on page 97 of this Prospectus.

### Company Secretary and Compliance Officer

#### **Babladi Shailaja**

3-5-900/1, IVth Floor,  
Aparajitha Arcade, Himayathnagar,  
Hyderabad – 500029,  
Telangana, India  
**Telephone:** +91-40-2322-4110;  
**Facsimile:** +91-40-2322-3984;  
**E-mail:** [cs@cadssystem.com](mailto:cs@cadssystem.com)

### Chief Financial Officer

#### **Nallani Chakravarthi Padmaja**

3-5-900/1, IVth Floor,  
Aparajitha Arcade, Himayathnagar,  
Hyderabad – 500029,  
Telangana, India  
**Telephone:** +91-40-2322-4110;  
**Facsimile:** +91-40-2322-3984;  
**E-mail:** [Padmaja@cadssystem.com](mailto:Padmaja@cadssystem.com)

### Address of Registrar of Companies

#### **Registrar of Companies**

Andhra Pradesh and Telangana  
2nd Floor, Corporate Bhawan,  
GSI Post, Tattiannaram Nagole,  
Bandlaguda, Hyderabad – 500 068,  
Telangana, India

## Board of Directors of our Company

Set forth below are the details in respect of our Board of Directors as on the date of this Prospectus:

Name and DIN	Designation	Address
Nallani Chakravarthi Venkata Rangacharya <b>DIN:</b> 01231778	Managing Director	6 – 1 – 307/1, Padmarao Nagar Hyderabad – 500 025, Telangana, India
Nallani Chakravarthi Padmaja <b>DIN:</b> 01173673	Whole – time Director and Chief Financial Officer	402, 1 – 2 – 593/16, Legend Koundinya Apartments, Domalguda, Hyderabad – 500 029, Telangana, India
Nallani Chakravarthi Madhavi <b>DIN:</b> 01199595	Non – executive Director	8 – 3 – 167/K136/137/101, Noble court, Kalyan Nagar – 3, Near Bhargawi Nursing Home, Hyderabad – 500 018, Rangareddy, Telangana, India
Sripadarajan Nagarajan <b>DIN:</b> 05262644	Non – executive Director	8 – 3 – 315/10, Maruthi Nagar, Yousufguda, Hyderabad 500 045, Telangana, India
Nandachary Mudumbi <b>DIN:</b> 02714333	Independent Director	8 – 5 – 222/B/26(401), Radha Krishna Residency, Mathura Nagar, B R Nagar, Hyderabad – 500038, Telangana, India
Sai Sridhar Sangineni <b>DIN:</b> 03274134	Independent Director	Flat 903, Pegasus Block, Meenakshi Sky Lounge Apartments, Hitex road, Kondapur, Serilingampally, K.V. Rangareddy, Telangana – 500084, India

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 104 of the Prospectus.

## Lead Manager

### Saffron Capital Advisors Private Limited

605, Center Point, Sixth Floor,  
Andheri - Kurla Road, J.B. Nagar,  
Andheri (East), Mumbai – 400 059,  
Maharashtra, India

**Telephone:** +91 22 4082 0914

**Facsimile:** +91 22 4082 0999

**Email ID:** [sme.ipos@saffronadvisor.com](mailto:sme.ipos@saffronadvisor.com)

**Website:** [www.saffronadvisor.com](http://www.saffronadvisor.com)

**Investor Grievance ID:** [investorgrievance@saffronadvisor.com](mailto:investorgrievance@saffronadvisor.com)

**Contact Person:** Amit Wagle / Gaurav Khandelwal

**SEBI Registration Number:** INM 000011211

## Registrar to the Issue

### Bigshare Services Private Limited

1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opposite Vasant Oasis, Makwana Road, Marol,  
Andheri (East), Mumbai – 400 059, s

Maharashtra, India  
**Telephone:** +91 – 022 62638200  
**Facsimile:** +91 – 022 62638299  
**E-mail:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Investor grievance:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact person:** Babu Raphael  
**SEBI Registration No:** INR000001385

#### **Legal Counsel to the Issue**

**M/s. Crawford Bayley & Co.**  
State Bank Building, 4<sup>th</sup> Floor  
N.G.N Vaidya Marg, Fort  
Mumbai – 400 001  
Maharashtra, India  
**Telephone:** +91 22 2266 8000  
**Facsimile:** +91 22 2266 3978  
**E-mail:** [sanjay.asher@crawfordbayley.com](mailto:sanjay.asher@crawfordbayley.com)

#### **Statutory Auditor**

**M/s. Narven Associates**  
Chartered Accountants  
302, 303, Lingapur House  
Himayathnagar, Hyderabad – 500029  
Telangana, India  
**Telephone:** +91 – 40 – 2322 0927;  
**Facsimile:** +91- 40 – 2322 4660;  
**Email:** [ca.narven@gmail.com](mailto:ca.narven@gmail.com)  
**Firm Registration No.:** 005905S

#### **Banker(s) to our Company**

**Canara Bank**  
3 – 5- 874 / 19/ 1 to 3,  
Beside Old MLA Quarters,  
Hyderguda, Hyderabad – 500 029,  
Telangana, India  
**Telephone:** +91-40-23436945;  
**Facsimile:** +91-40-23436946;  
**Email:** [srinivasa.babu@canarabank.com](mailto:srinivasa.babu@canarabank.com)  
**Contact Person:** Srinivasa Babu

#### **Peer Review Auditor**

**M/s. G. Krishnamurthy & Co.**  
Chartered Accountants  
H.No: 7-1-621/80, Plot No.1/A, Special Flat No-G-1,  
Sree Gurudatta Residency, Sanjeeva Reddy Nagar,  
Hyderabad – 500 038, Telangana, India  
**Telephone:** +91 – 40 – 2370 5025;  
**Email:** [chaitanya@jmrca.in](mailto:chaitanya@jmrca.in)  
**Firm Registration No.:** 006542S  
**Peer Review Certificate No.:** 008770

#### **Banker(s) to the Issue**

**AXIS BANK LIMITED**  
Ground Floor, Corporate Center, Andher Kurla Road,  
Andheri (East), Mumbai – 400 059,  
Maharashtra, India  
**Tel No.:** +91 – 22 – 28224256  
**Fax No.:** +91 – 22 – 28224250  
**Website:** [www.axisbank.com](http://www.axisbank.com)  
**Email:** [Andherieast.branchhead@axisbank.com](mailto:Andherieast.branchhead@axisbank.com)/  
[amit.lokhande@axisbank.com](mailto:amit.lokhande@axisbank.com)  
**Contact Person:** Bibhu Mihsra / Amit Lokhande  
**SEBI Registration No.:** INBI00000017

Investors may contact our Company Secretary and Compliance Officer and /or the Registrar to the Issue and / or the Lead Manager in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB giving details such as full name of the sole or first applicant, address, ASBA Form number, date of ASBA Form, DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Application and Designated Branch or collection centre of SCSBs where the ASBA Application Form was submitted. Further, the investor shall also enclose the Acknowledgment Slip from the SCSBs in addition to the documents/information mentioned hereinabove.



**Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

**Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of NSE at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

**Registrar to the Issue and Share Transfer Agent**

The list of the RTAs eligible to accept Application Forms at the Specified Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

**Collecting Depository Participants**

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

**IPO Grading**

This being an Issue in terms of Chapter XB of the SEBI (ICDR) Regulations, appointment of an IPO Grading agency is not required.

**Credit Rating**

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

**Experts**

Except for the Peer Review Auditors' reports, M/s. G. Krishnamurthy & Co., dated August 3, 2017 on the restated standalone and restated consolidated financial information of our Company, respectively and the statement of tax benefits dated July 31, 2017, provided by M/s. Narven Associates, Chartered Accountants our Company has not obtained any expert opinions.

**Trustees**

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

**Monitoring Agency**

There is no requirement for a Monitoring Agency in terms of sub regulation (1) Regulation 16 of SEBI (ICDR) Regulations since the Issue size is less than ₹ 10,000 lacs. However, in terms of the SEBI Listing Regulations, our Audit Committee, would be monitoring the utilization of the proceeds of the Issue.

**Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

## Inter-se Allocation of Responsibilities

Saffron Capital Advisors Private Limited being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue

## Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof. If our Company withdraws the Issue at any time after the Issue Opening Date but before the Allotment of Equity Shares, our Company will issue a public notice within two (2) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determine that they want to proceed with the Issue, our Company will file a fresh Draft Prospectus with the Stock Exchange.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus.

## Issue Programme

Below is the indicative timetable in respect to the Issue:

Event	Indicative date
Issue Opening Date	September 21, 2017
Issue Closing Date	September 25, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before September 28, 2017
Initiation of Refunds	On or before October 03, 2017
Credit of Equity Shares to demat accounts of Allottees	On or before October 03, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	On or before October 04, 2017

The above timetable, other than Issue Opening and Closing Dates, is indicative in nature and does not constitute any obligation or liability on our Company or the Lead Manager. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchange commences within 6 Working Days of the Issue Closing Date, the timetable may be subject to change for various reasons, including extension of the Issue Period by our Company or any delays in receipt of final listing and trading approvals from the Stock Exchange. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange in accordance with applicable law. All Applications, including any revision Applications will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Issue Period at the Designated Branches (a list of such branches is available at the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) or with the members of the Syndicate at the Specified Locations or with the Registered Brokers at the Broker Centres (a list of such Broker Centres is available at the websites of the Stock Exchange), as the case may be. On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m.** (IST) or such extended time as permitted by the Stock Exchange, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock exchange. Applications that have not been uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 5.00 p.m. (Indian Standard Time) on the Issue Closing Date. If a large number of Applications are received on the Issue Closing Date, which may lead to some Applications not being uploaded due to lack of sufficient time to upload, such Applications that cannot be uploaded on the electronic system will not be considered for allocation in the Issue. Our Company, Lead Manager, the members of the Syndicate, the SCSBs and the Registered Brokers will not be responsible for any failure in uploading Applications due to faults in any hardware/software system or otherwise.

Non Retail Applicants shall not be allowed to either withdraw or lower the size of their Application at any stage. Non Retail Applicants may revise their Applications upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

### Underwriting Agreement

The Company and the Lead Manager confirm that the Issue is 100% Underwritten by the Lead Manager in accordance with the Underwriting Agreement dated September 02, 2017 entered into by and between our Company and the Lead Manager. The obligations of the Lead Manager are subject to certain terms and Underwriting Agreement contains certain conditions as specified therein. Details of the Underwriting commitments of the Lead Manager are as follows:

Name, address, telephone number, Facsimile and e-mail addresses of the Underwriters	Indicative Number of Equity Shares to be Underwritten*	Amount Underwritten	% of the total Issue size Underwritten
<b>Saffron Capital Advisors Private Limited</b> 605, Center Point, Sixth Floor, Andheri - Kurla Road, J.B. Nagar Andheri (East), Mumbai – 400 059 Maharashtra, India <b>Telephone:</b> +91 22 4082 0914 <b>Facsimile:</b> +91 22 4082 0999 <b>Email ID:</b> sme.ipos@saffronadvisor.com <b>Website:</b> www.saffronadvisor.com <b>Contact Person:</b> Amit Wagle / Gaurav Khandelwal <b>SEBI Registration Number:</b> INM 000011211	21,00,000	₹ 1,470 Lacs	100

*\*This is inclusive of 1,08,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to comply with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations.*

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of Underwriter are sufficient to enable it to discharge its underwriting obligations in full. The abovementioned Underwriter is registered with SEBI under section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

### Details of Market Making for the Issue

Our Company has entered into a Market Making Agreement dated September 11, 2017 with the following Market Maker for fulfilling the Market Making obligations under this Issue:

<b>Name</b>	New Berry Capitals Private Limited
<b>Address</b>	A-602 Marathon Next Gen Innova, Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel Mumbai – 400013, Maharashtra, India
<b>Telephone</b>	022-30508442
<b>Fax</b>	022-30508485

<b>Investor Grievance E-mail</b>	<a href="mailto:grievance@newberry.in">grievance@newberry.in</a>
<b>Contact Person</b>	Sangeet Lakkar
<b>Website</b>	<a href="http://www.newberry.in">www.newberry.in</a>
<b>SEBI Registration No.</b>	INZ000004838

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations and the circulars issued by NSE and SEBI from time to time.

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 1,08,000 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing two (2) way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five (5) Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
8. The Market Maker(s) shall have the right to terminate said arrangement by giving a one (1) month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on Working Days.
9. Risk containment measures and monitoring for Market Makers: NSE Emerge will have all margins, which are applicable on NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

10. Punitive Action in case of default by Market Makers: SME Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
11. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue size)</b>
Upto ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

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

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Prospectus and after giving effect to the Issue is set forth below:

No.	Particulars	Amount (in ₹ Lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	85,00,000 Equity Shares of ₹ 10 each	850.00	
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	54,02,500 Equity Shares of ₹ 10 each	540.25	
<b>C.</b>	<b>Present Issue in terms of this Prospectus</b>		
	Public Issue of 21,00,000 Equity Shares of face value ₹10 each at a Premium ₹60 per Equity Share	210.00	1,470.00
	<i>Consisting of</i>		
	<b>Reservation for Market Maker portion</b>		
	Up to 1,08,000 Equity Shares of ₹10 each at a premium of ₹ 60 per Equity Share	10.80	75.60
	<b>Net Issue to the Public</b>		
	Up to 19,92,000 Equity Shares of ₹10 each at a premium of ₹ 60 per Equity Share	199.20	1,394.40
	<i>Of which</i>		
	Up to 9,96,000 Equity Shares of ₹10 each at a premium of ₹60 per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2 Lacs	99.60	697.20
	Up to 9,96,000 Equity Shares of ₹10 each at a premium of ₹60 per Equity Share will be available for allocation for allotment to Other Investors of above ₹2 Lacs	99.60	697.20
<b>D.</b>	<b>Issued, Subscribed and Paid-Up Share Capital after the Issue</b>		
	75,02,500 Equity Shares of face value of ₹10 each	750.25	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	8.00	
	After the Issue	1,268.00	

*The present Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on July 3, 2017, and by the shareholders of our Company vide a special resolution passed pursuant to section 62 of the Companies Act, 2013 at the EGM held on July 24, 2017.*

### NOTES TO THE CAPITAL STRUCTURE

#### 1. Share Capital History

##### a) Changes in authorised Share Capital

For details of changes in the authorised share capital of our Company, see “History and Certain Corporate Matters” on page 97 of this Prospectus.

##### b) Changes in the share capital of the Company

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price (₹) per Equity Share	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up per Equity Share Capital (₹)	Cumulative security premium (₹ in lacs)
July 23, 1992	20	10	10	Cash	Subscription to Memorandum of Association dated July 2, 1992 <sup>(1)</sup>	20	200	NIL
December 17, 1994	80,000	10	10	Cash	Further Allotment <sup>(2)</sup>	80,020	8,00,200	NIL
March 20, 1995*	300	10	10	Cash	Preferential Allotment <sup>(3)</sup>	80,320	8,03,200	NIL
November 25, 1995*	6,69,680	10	10	Cash	Preferential Allotment <sup>(4)</sup>	7,50,000	75,00,000	NIL
April 1, 1999	300,000	10	10	Cash	Preferential Allotment <sup>(5)</sup>	10,50,000	1,05,00,000	NIL
February 6, 2002	10,500	10	10	Cash	Preferential Allotment <sup>(6)</sup>	10,60,500	10,605,000	NIL
March 12, 2012	20,000	10	50	Other than Cash	Allotment against the acquisition of business of M/s. Cogent Designers <sup>(7)</sup>	10,80,500	1,08,05,000	8.00
November 12, 2016	43,22,000	10	-	Other than cash	Bonus issue in the ratio of 4: 1 <sup>(8)</sup>	54,02,500	5,40,25,000	8.00

- (1) Subscription of 10 Equity Shares each by Nallani Chakravarthi Venkata Rangacharya and Uppala Satyanarayana
- (2) Allotment of 5,000 Equity Shares to Vala Srinivas Rao, 45,000 Equity Shares to Dr. Nallani Chakarvarthy Pushpavathi, 27,500 Equity Shares to Nallani Chakravarthi Venkata Rangacharya and 2,500 Equity Shares to Uppala Satyanarayana.
- (3) Allotment of 100 Equity Shares each to Nallani Chakravarthi Padmaja, S. Seetha jayalakshmi, Uppala Vykunta Rama Krishna;
- (4) Allotment of 1,25,090 Equity Shares to Nallani Chakravarthi Venkata Rangacharya, 47090 Equity Shares to Uppala Satyanarayana, 117500 Equity Shares to Nallani Chakravarthi Padmaja, 3000 Equity Shares to Uppala Vykunta Rama Krishna, 10000 Equity Shares to V Ramana, 7500 Equity Shares to G. Srinivasa Rao, 5000 Equity Shares to V.S.R. Krishna Murthy, 2500 Equity Shares to S. Subba Rao; 31500 Equity Shares to S. Raja Gopal, 20000 Rajani Gupta, 60000 Equity Shares to Anand Gupta, 12500 Equity Shares to G. Madhusudhan Rao, 12500 Equity Shares to G. C. Subba Rao, 12500 Equity Shares to A. Swarna Latha, 12500 Equity Shares to Mala Kondeswara Rao, 12600 Equity Shares to Y.V. Narayana Reddy, 8000 Equity Shares to Y. Lalitha Kumari, 5100 Equity Shares to Sai Sridhar, 5000 Equity Shares to Nagarajan S, 7000 Equity Shares to Y. Lava Kumar, 8000 Equity Shares to V. Raghavendra Rao, 15000 Equity Shares to N.C. Rangamani, 2500 Equity Shares to Uma Jyoti Bhaskara, 11000 Equity Shares to Sree Pandurangan, 2,500 Equity Shares to K. Swaroopa, 2500 Equity Shares to Koka Ram Babu, 13,300 Equity Shares to A. Venu Gopal, 5000 Equity Shares to B. Padmavathi, 5500 Equity Shares to Deewakar V.S.K.S.R.T, 5500 Equity Shares to Narendra Babu D, 5500 Equity Shares to Chandra Sekhar O, 5500 Equity Shares to M.C. Sekhar, 2,500 Equity Shares to D. Usha Rani, 2500 Equity Shares to D. Satish Mehra, 20000 Equity Shares to Susheel Agarwal, 5000 Equity Shares to Srinivasa Rao, 9500 Equity Shares to Sarveswara Rao V, 2500 Equity Shares to G. Satyanarayana, 2500 Equity Shares to M.V.S. Prasad, 2500 Equity Shares to U. Nirmala Kumari, 2500 Equity Shares to U. Tulasi Durga Rao, 2500 Equity Shares to Ajay Kumar Shah, 2500 Equity Shares to D. Nageswara Rao, 2500 Equity Shares to P. Mukteswara Rao, 2500 Equity Shares to U. Visalakshmi, 2500 Equity Shares to S.V. Ranganathan, 2500 Equity Shares to N.C. Krishnamani, 2500 Equity Shares to K. Devakinandan, and 4000 Equity Shares to Meda Rama Swaroopa.
- (5) Allotment of 3,00,000 Equity Shares to Apex Data Services INC.
- (6) Allotment of 10,500 Equity Shares to U Venkateshwarlu
- (7) Allotment of 18,000 Equity Shares to C Venugopal Prasad and 2,000 Equity Shares to S. Sunil Krishna against the acquisition of business of M/s. Cogent Designers;
- (8) Allotment of 43,22,000 Equity Shares to existing shareholders in the ratio 4:1

\*We have been unable to trace corporate resolutions, and requisite forms filed with the RoC in relation to certain allotments. See "Risk Factors

– “Some of our secretarial records are not traceable. Further there have been certain instances in the past wherein our Company has delayed in complying with reporting requirements to the RoC. Such instances in the future as well may require us to pay penalties” on page 14 of this Prospectus.

## 2. Issue of equity shares for consideration other than cash or out of revaluation reserves:

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of allotment	Number of Equity Shares allotted	Name of Persons	Face value (₹)	Issue Price	Nature of consideration	Reasons for allotment	Benefit accrued to our Company
March 12, 2012	20,000	Sunil Krishna and C. Venugopal Prasad	10	-	Other than cash	Allotment against the acquisition of business of M/s. Cogent Designers	Acquisition of customers
November 12, 2016	43,22,000	The existing shareholders of our Company	10	-	Other than cash	Bonus issue in the ratio of 4:1 authorised by our Board, pursuant to a resolution passed at its meeting held on November 12, 2016, and by our Shareholders pursuant to a resolution passed at the EGM held on November 12, 2016	-

\* For list of allottees see note (9) of paragraph titled Changes in the share capital of the Company mentioned above.

\*\* For list of allottees see note (10) of paragraph titled Changes in the share capital of the Company mentioned above.

- As on date of this Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
- Our Company has not revalued its assets since inception and has not issued any Equity Shares by capitalizing any revaluation reserves.
- Except as stated under, our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of the one year preceding the date of this Prospectus.

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of consideration	Reasons for allotment	Whether forming a part of Promoter Group
November 12, 2016	43,22,000	10	-	Other than cash	Bonus issue in the ratio of 4:1 authorised by our Board, pursuant to a resolution passed at its meeting held on November 12, 2016, and by our Shareholders pursuant to a resolution passed at the EGM held on November 12, 2016	Yes

- Subject to the SEBI (ICDR) Regulations, there will be no further issue of Equity Shares whether by way of preferential issue or bonus issue or rights issue or in any other manner during the period commencing from the date of Prospectus with the Stock exchange until the Equity Shares offered through the Prospectus have been listed on the Stock exchange.



7. Our Company presently does not have any intention, proposal, negotiation or consideration to alter its capital structure for a period of six months from the date of Issue opening, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we acquire companies / business or enter into joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures. However, our Company has not entered into any acquisitions, joint ventures or strategic alliances as on the date of this Prospectus and has not identified any strategic investments or acquisition opportunities.

#### 8. Details of Build-up, Contribution and Lock-In of Promoter's Shareholding

##### *i.Capital build-up of our Promoter as on date of filing of this Prospectus*

As on the date of this Prospectus, Nallani Chakravarthi Venkata Rangacharya, the Promoter of our Company, holds 18,90,875 Equity Shares, equivalent to 35.00% of the issued, subscribed and paid-up Equity Share capital of our Company and none of the Equity Shares held by the Promoter are subject to any pledge.

- a. Set forth below are the details of the build – up of our Promoter' shareholding in our Company since incorporation:

Date of Allotment / acquisition	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue / transfer price per Equity Share (in ₹)	Sources of funds (Owned Funds/ Borrowed Funds)	Nature of consideration (cash / other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
July 23, 1992	Subscription to Memorandum of Association dated July 2, 1992	10	10	10	Owned	Cash	10	0.00	0.00
December 17, 1994	Further Allotment	27,500	10	10	Owned	Cash	27,510	0.51	0.37
November 25, 1995	Further Allotment	1,25,090	10	10	Owned	Cash	1,52,600	2.32	1.67
July 15, 1996	Transfer from Vala Srinivasa Rao	5,000	10	10	Owned	Cash	1,57,600	0.09	0.07
August 5, 1996	Transfer from Uma Jyothi Bhaskara	2,500	10	10	Owned	Cash	1,60,100	0.05	0.03
September 4, 1997	Transfer from K. Swaroopa	2,500	10	10	Owned	Cash	1,62,600	0.05	0.03
	Transfer from Koka Rambabu	2,500	10	10	Owned	Cash	1,65,100	0.05	0.03
	Transfer from D.Nageswara Rao	2,500	10	10	Owned	Cash	1,67,600	0.05	0.03
	Transfer	2,500	10	10	Owned	Cash	1,70,100	0.05	0.03

Date of Allotment / acquisition	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue / transfer price per Equity Share (in ₹)	Sources of funds (Owned Funds/ Borrowed Funds)	Nature of consideration (cash / other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
	from U. Visalakshmi								
November 20, 1997	Transfer from A. Venugopal	2,000	10	10	Owned	Cash	1,72,100	0.04	0.03
January 4, 1999	Transfer from U. Nitmala Kumari	2,500	10	10	Owned	Cash	1,74,600	0.05	0.03
March 15, 2004	Transfer from U V Warlu	10,500	10	10	Owned	Cash	1,85,100	0.19	0.14
April 3, 2006	Transfer from R. Suresh Babu	10,000	10	10	Owned	Cash	1,95,100	0.19	0.13
May 26, 2009	Transfer from Shashikant Gupta	80,000	10	10	Owned	Cash	2,75,100	1.48	1.07
November 11, 2016	Transfer from Nallani Chakravarthi Pushpavathi	1,03,075	10	-	-	Gift	3,78,175	1.91	1.37
November 12, 2016	Bonus issue in the ratio of 4:1	15,12,700	10	-	-	Other than cash	18,90,875	28.00	20.16
<b>Total</b>		<b>18,90,875</b>						<b>35.00</b>	<b>25.20</b>

All the Equity Shares held by our Promoter were fully paid up as on the respective dates of acquisition of such Equity Shares. Our Promoter has confirmed to our Company and the Lead Manager that the Equity Shares held by our Promoter has been financed from his personal / owned funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by him for such purpose.

- b. The table below presents the shareholding of our Promoter and Promoter Group, who hold Equity Shares as on the date of filing of this Prospectus:

Sr. No.	Name of the Shareholders	Pre Issue			Post Issue		
		No. of Equity Shares	Percentage of issued Share (%)	of Equity capital	No. of Equity Shares	Percentage of issued Share (%)	of Equity capital
Promoter							
1.	Nallani Chakravarthi Venkata Rangacharya	18,90,875		35.00	18,90,875		25.20
Total (A)		18,90,875		35.00	18,90,875		25.20
Promoter Group							
2.	Nallani Chakravarthi Padmaja	12,96,600		24.00	12,96,600		17.28
3.	Nallani Chakravarthi Pushpavathi	1,85,625		3.43	1,85,625		2.48

Sr. No.	Name of the Shareholders	Pre Issue		Post Issue	
		No. of Equity Shares	Percentage of issued Share (%)	No. of Equity Shares	Percentage of issued Share (%)
4.	Nallani Chakravarthi Rangamani	82,500	1.53	82,500	1.10
5.	Nallani Chakravarthi Madhavi	46,000	0.85	46,000	0.61
6.	Sattaluri Rajagopal	42,500	0.79	42,500	0.57
7.	Sattaluri Seetha Jayalakshmi	13,000	0.24	13,000	0.17
<b>Total (B)</b>		<b>16,66,225</b>	<b>30.84</b>	<b>16,66,225</b>	<b>22.21</b>
<b>Total</b>		<b>35,57,100</b>	<b>65.84</b>	<b>35,57,100</b>	<b>47.41</b>

**ii. Details of Promoter contribution locked in for three years.**

Pursuant to Regulation 32 and 36 of the SEBI (ICDR) Regulations, an aggregate of 20.00% of the fully diluted post-Issue capital of our Company held by the Promoter shall be locked in for a period of three years from the date of Allotment (“**Minimum Promoter’ Contribution**”).

The lock-in of the Minimum Promoter’ Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

Following are the details of Minimum Promoter’ Contribution:

Number of Equity Shares locked-in	Nature of Allotment / Transfer	Consideration	Sources of funds (Owned Funds/ Borrowed Funds)	Date of Allotment	Face value (in ₹)	Issue / Acquisition Price per Equity Share (in ₹)	% of fully diluted post- Issue paid-up capital
15,12,700	Bonus issue in the ratio of 4:1	Other than Cash	-	November 12, 2016	10	-	20.16
62,825	Transfer from Sashikanth Gupta	Cash	Owned	May 26, 2009	10	10	0.84
<b>15,75,525</b>	<b>TOTAL</b>						<b>21.00</b>

The Promoter’s Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as ‘promoter’ under the SEBI (ICDR) Regulations.

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

- Equity Shares acquired three years before the filing of the Prospectus for consideration other than cash and revaluation of assets or capitalisation of intangible assets, involved in such transactions or resulting from a bonus issue by utilization of revaluation reserves or unrealised profits of our Company or from bonus issue against Equity Shares which are ineligible for computation of Minimum Promoter’ Contribution;
- Equity Shares acquired by our Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Minimum Promoter’s Contribution subject to lock-in;

- Equity Shares held by our Promoter that are subject to any pledge.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoter upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoter and the members of the Promoter Group are held in dematerialized form.

In terms of undertaking executed by our Promoter, Equity Shares forming part of Promoter's Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoter during the period starting from the date of filing of this Prospectus till the date of commencement of lock in period as stated in this Prospectus.

Other than the Equity Shares locked-in as Promoter's Contribution for a period of three years as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoter's Contribution, as per Regulation 36 and 37 of the SEBI (ICDR) Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Issue. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

#### ***Other requirements in respect of 'lock-in'***

In terms of Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoter which are locked in as per the provisions of Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst Promoter / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 39 of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoter can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of sub-regulation (a) of Regulation 36 of the SEBI (ICDR) Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 36 of the SEBI (ICDR) Regulations and the pledge of specified securities is one of the terms of sanction of the loan.

An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.

The Equity Shares held by persons other than our Promoter and locked-in for a period of one year from the date of Allotment may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

## 9. Shareholding Pattern of our Company

a. The table below represents the shareholding pattern of our Company as on the date of this Prospectus:

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)*
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter and Promoter Group	7	35,57,100	0	0	35,57,100	65.84	35,57,100	3557,100	65.84	0	0	35,57,100	65.84	0	0	0
(B)	Public	5	18,45,400	0	0	18,45,400	34.16	18,45,400	1845400	34.16	0	0	1,84,540	34.16	0	0	0
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares underlying depository receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by employee trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>12</b>	<b>54,02,500</b>	<b>0</b>	<b>0</b>	<b>54,02,500</b>	<b>100.00</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>54,02,500</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*All the shares are in the process of dematerialisation.

**Public Shareholders holding more than 1% of the pre-Issue paid-up capital of our Company**

Sr. No.	Particulars	No. of Shares	% of Shares Pre-Issue Share Capital
1.	Babladi Shailaja	15,02,400	27.81
2.	Babladi Gururaj	2,25,000	4.16
3.	Chilakamarri Venugopal Prasad	90,000	1.67
<b>Total</b>		<b>18,17,400</b>	<b>33.64</b>

10. Equity Shares held by top ten shareholders

**a) Particulars of the top ten shareholders as on the date and ten days prior filing of this Prospectus.**

Sr. No.	Name of the Shareholders	No. of Equity Shares	Percentage of Equity Share capital
1.	Nallani Chakravarthi Venkata Rangacharya	18,90,875	35.00
2.	Babladi Shailaja	15,02,400	27.81
3.	Nallani Chakravarthi Padmaja	12,96,600	24.00
4.	Babladi Gururaj	2,25,000	4.16
5.	Nallani Chakravarthi Pushpavathi	1,85,625	3.44
6.	Chilakamarri Venugopal Prasad	90,000	1.67
7.	Nallani Chakravarthi Rangamani	82,500	1.53
8.	Nallani Chakravarthi Madhavi	46,000	0.85
9.	Sattaluri Rajagopal	42,500	0.79
10.	Sattaluri Sridevi	18,000	0.33
<b>Total</b>		<b>53,79,500</b>	<b>99.57</b>

**b) Particulars of the top ten shareholders two years prior to the date of filing of this Prospectus.**

Sr. No.	Name of the Shareholders	No. of Equity Shares	Percentage of Equity Share capital
1.	Nallani Chakravarthi Padmaja	5,59,800	51.93
2.	Nallani Chakravarthi Venkata Rangacharya	2,75,100	25.52
3.	Nallani Chakravarthi Pushpavathi	1,40,200	13.01
4.	Babladi Gururaj	45,000	4.17
5.	Chilakamarri Venugopal Prasad	18,000	1.67
6.	Nallani Chakravarthi Rangamani jointly held with Nallani Chakravarthi Padmaja	16,500	1.53
7.	Nallani Chakravarthi Madhavi	9,200	0.85
8.	Sattaluri Rajagopal	8,500	0.79
9.	Sattaluri Rajagopal jointly held with Sattaluri Sridevi	3,600	0.28
10.	Sattaluri Seetha Jayalakshmi	2,600	0.24
<b>Total</b>		<b>10,77,900</b>	<b>100.00</b>

- Except as disclosed under the heading “Changes in the share capital of the Company” on page 53 there has been no sale, purchase or subscription of our Company’s securities by our Promoter, Promoter Group and our Directors within three years immediately preceding the date of this Prospectus, which in aggregate is equal to or greater than 1.00% of the pre-Issue capital of our Company.
- Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- The Equity Shares, which are subjected to lock-in, shall carry the inscription “non-transferable” and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock exchange before the listing of the Equity Shares.

14. During the six months preceding the date of filing this Prospectus, there are no transactions in our Equity Shares, which have been purchased/ (sold) by our Promoter, persons in promoter group or by the directors of our Promoter Company or by the Directors of our Company and their immediate relatives (as defined under sub-clause (zb) sub-regulation (1) Regulation 2 of the SEBI (ICDR) Regulations, 2009).
15. None of the persons/entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing this Prospectus.
16. All the existing Equity Shares are fully paid-up and as on the date of this Prospectus, there are no partly paid-up Equity Shares.
17. Our Company, our Promoter, our Directors and the Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person. There are no safety net arrangements for this public issue.
18. As on date of this Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
19. There shall be only one denomination of Equity Shares of our Company at any given time, unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be prescribed by SEBI from time to time.
20. An Applicant cannot make an Application for more than the number of Equity Shares offered in this Issue, subject to maximum limit of investment prescribed under relevant laws applicable to each category of investors.
21. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43(4) of SEBI (ICDR) Regulations, as amended from time to time
22. Any oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot while finalising the Basis of Allotment.
23. The unsubscribed portion in any reserved category, if any, may be added to any other reserved category.
24. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange i.e. NSE (Emerge). Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
25. No person connected with the Issue, including, but not limited to, the Lead Manager, our Company, the Directors, the Promoter, and the Promoter Group, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Applicant.
26. Our Company has 12 (twelve) Shareholders as on the date of this Prospectus.
27. Our Company has not made any public of any class or kinds of securities since its incorporation.
28. Our Promoter and the members of our Promoter Group will not participate in the Issue.
29. Details of Equity Shares of our Company held by our Directors, Key Management Personnel:

Sr. No.	Name of the Directors / Key Managerial Personnel	Number of Equity Shares	% of pre issue Equity Share capital
1.	Nallani Chakravarthi Venkata Rangacharya	18,90,875	35.00
2.	Nallani Chakravarthi Padmaja	12,96,600	24.00
3.	Nallani Chakravarthi Madhavi	46,000	0.85
4.	Babladi Shailaja	15,02,400	27.81

30. Neither the Lead Manager nor any of their associates (determined as per the definition of ‘associate company’ under section 2(6) of the Companies Act, 2013) hold any Equity Shares in our Company.
31. The Company shall ensure that transactions in Equity Shares by the Promoter and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchange within 24 hours of such transactions being completed.
32. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
33. For the details of related party transactions, please refer to chapter titled “*Related Party Transactions*” on page 121 of this Prospectus.



## SECTION IV: PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprises of 21,00,000 Equity Shares of our Company, aggregating up to ₹ 1,470 Lacs.

#### Proceeds from Issue

The funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company (“**Net Proceeds**”), are estimated to be approximately ₹1,375 lacs, details of which are as follows:

(₹ in Lacs)	
Particulars	Amount
Gross Proceeds from the Issue	1,470
(Less) Issue related expenses (payable by the Company)	95
Net Proceeds of the Issue	1,375

Our Company intends to utilize the Net Proceeds for the following objects (“**Objects of the Issue**”):

		(₹ in Lacs)
Sr. No.	Particulars	Amount
1.	Part Repayment / prepayment of our long term borrowing availed by our Company;	1,100
2.	General corporate purposes	275

In addition to the aforementioned objects, our Company expects to receive the benefits of listing of its Equity Shares on the SME Platform of NSE, including, amongst other things, enhancing the visibility of our brand.

The main objects clause of the Memorandum of Association enables our Company to undertake the activities for which the funds are being raised pursuant to the Issue. The existing activities of our Company are within the ambit of the main objects clause and the objects incidental or ancillary to the main objects of the Memorandum of Association.

#### Schedule of Implementation and Deployment of Funds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

		(₹ in Lacs)	
Sr. No.	Particulars	Total estimated amount	Estimated Utilisation Fiscal 2018
1.	Part Repayment / prepayment of our long term borrowing availed by our Company	1,100	1,100
2.	General Corporate purposes*	275	275
<b>Total</b>		<b>1,375</b>	<b>1,375</b>

\* The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

To the extent, our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned Objects of the Issue, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in subsequent fiscals towards the aforementioned Objects.

#### Means of Finance

The entire requirements of the Objects of the Issue detailed above are intended to be funded from the Net Proceeds. No amount is required to be raised through means other than this Issue for financing the objects of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue under Regulation 4(2) (g) of the ICDR Regulations.

We may have to revise the expenditure and fund requirements and schedule of deployment as a result of changes in our financial condition, business or strategy as well as external factors which may not be in our control and which may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing

or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be done through internal accruals and availing additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. For further details of factors that may affect these estimates, please see “*Risk Factors*” on page 14 of this Prospectus.

## Details of the Objects of the Issue

### 1. Repayment / prepayment, in full or part, of certain borrowings availed by our Company

We propose to utilize ₹ 1,100 lacs from the Net Proceeds towards the repayment / prepayment, in full or part, the term loan, availed by our Company. We believe that such repayment / pre-payment will help reduce our outstanding indebtedness and assist us in maintaining a favourable debt – equity ratio in the near future and enable utilization of our accruals for further investment in business growth. For further details of the loans availed by our Company, see chapter titled “*Financial Indebtedness*” at page 182 of this Prospectus. As of July 31, 2017, our Company has total outstanding borrowing of ₹ 1,454.17 Lacs comprising of fund based borrowing of ₹ 1,384.34 Lacs, vehicle loans of ₹ 29.37 lacs and unsecured loans of ₹ 40.46 lacs.

The following table provides details (including details of outstanding amount including accrued interest as on July 31, 2017) of certain loans availed by our Company, of which we may repay / prepay, in full or part, from the Net Proceeds, without any obligation to any particular loan:

Name of the Lender	Type of Loan	Purpose	Sanctioned Amount (₹ in lacs)	Rate of Interest	Tenure	Outstanding as on July 31, 2017 as per books (₹ in lacs)
Canara Bank	Over Draft	Working Capital requirement	400.00	12.15%	Payable on demand	252.15
Canara Bank	Variable Spread Loan	Investment in Whole owned subsidiaries	992.00	15.40%	6 months	1132.19

*Our statutory auditor, M/s. Narven Associates, have certified vide a letter dated July 31, 2017 that our Company had utilized the aforementioned loans for the purpose for which they were raised.*

### 2. General corporate purposes

In terms of Regulation 4(4) of the SEBI (ICDR) Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is not estimated to exceed 25% of the proceeds of the Issue. Our management will have flexibility in applying ₹ 275 Lacs of the Net Proceeds towards general corporate purposes in the normal course of business, including (i) brand building and other marketing efforts; (ii) acquiring fixed assets; (iii) meeting expenses incurred towards any strategic initiatives, partnerships, tie-ups, joint ventures, acquisitions, etc.; and (iv) any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under

this head and the business requirements of our Company, from time to time.

### Issue related expenses

The total estimated expenses are ₹ 95 lacs, which is 6.46 % of the Issue size. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees.

The estimated issue expenses are as under:

Description	Total estimated amount (₹ in lacs)	% of Total expenses	% of Total Issue size
Lead management fees, printing and distribution expenses and payment to other intermediaries such as registrars, market makers, bankers etc	42.00	44.21	2.88
Regulatory fees & Other expenses	10.00	10.53	0.68
Marketing and other expenses	43.00	45.26	2.94
<b>Total</b>	<b>95.00</b>	<b>100.00</b>	<b>6.50</b>

### Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Issue Proceeds.

### Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. The Net Proceeds of the Issue pending utilisation for the purposes stated in this section, shall be deposited only in scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

### Appraisal by Appraising Agency

None of the Objects have been appraised by any bank or financial institution or any other independent third party organisation. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. However, the funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### Monitoring of utilization of funds

There is no requirement for a monitoring agency as the Issue size is less than ₹ 10,000 lakhs. Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a fiscal year, we will utilize such unutilized amount in the next fiscal year.

Further, in accordance with Regulation 32(1)(a) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Prospectus.

### Other Confirmations

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoter,

members of the Promoter Group, Directors, Group Entities or Key Managerial Personnel. Our Company has not entered into or is not planning to enter into any arrangement / agreements with the Promoter, Directors, key management personnel, associates or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

### **Variation of Objects**

In accordance with Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the regional language of the jurisdiction where our Registered Office is situated and shall also be placed on the website of the Company. Our Promoter or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price and in such manner, as may be prescribed by SEBI, in this regard.

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Lead Manager, on the basis of the assessment of market demand for the offered Equity Shares through the Fixed Price Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue Price is 7 times of the face value.

Investors should also refer to the chapters titled “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on pages 80, 14 and 121, respectively, of this Prospectus to have an informed view before making an investment decision.

### Qualitative Factors

#### *Competitive strengths*

- Client – Relationship Capital;
- Leverage quality processes and project management capabilities;
- Globalisation Delivery Model;
- Depth of experience and knowledge in targeted industry segments; and
- Quality Talent and Experienced Leadership Team

For more details on qualitative factors, refer to section titled “*Our Business*” on page 80 of this Prospectus.

### Quantitative Factors

The information presented in this section for the Fiscal 2017 is derived from our Standalone and Consolidated Restated Summary Statements prepared in accordance with Indian GAAP. Investors should evaluate our Company and form their decisions taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

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

Year ended	Consolidated (per Equity Share)	Standalone (per Equity Share)	Weight
FY 2014-15	43.35	40.85	1
FY 2015-16	51.06	51.79	2
FY 2016-17	20.26	4.96	3
<b>Weighted Average</b>	<b>34.38</b>	<b>26.55</b>	

#### 2. Price / Earning (P/E) Ratio in relation to Issue Price of ₹ 70 per Equity Share

Particulars	Consolidated	Standalone
a) P/E ratio based on Basic and Diluted EPS as at March 31, 2017	3.53	14.11
b) P/E ratio based on Weighted Average EPS	2.05	2.64
<b>c) Industry P/E Multiple:</b>		
Highest – Majesco Limited		254
Lowest – Rolta India Limited		1.5
<b>Industry Composite</b>		17.17

#### 3. Return on Net Worth (RONW):

Year ended	Consolidated	Standalone	Weight
FY 2014-15	36.70%	33.66%	1
FY 2015-16	30.57%	30.33%	2
FY 2016-17	37.79%	12.68%	3
<b>Weighted Average</b>	<b>35.20%</b>	<b>22.06%</b>	

*Note: The return on net worth is arrived at by dividing net profit after tax and extraordinary items, as restated by net worth as restated as at years.*

#### 4. Minimum return on increased net worth after the Issue required for maintaining pre-issue EPS at March 31, 2017

The minimum return on increased net worth i.e. after Issue, required to maintain pre – Issue Standalone Basic / Diluted EPS of ₹ 4.96 for the F.Y. 2016-17 and Consolidated Basic / Diluted EPS of ₹ 20.28 for the F.Y. 2016-17 is 10.39% and 42.43% respectively.

*Note: Net worth is the sum of the share capital, the reserves and the surplus less miscellaneous expenditure not written off.*

#### 5. Net Asset Value (NAV) per Equity Share

Particulars	NAV (₹ per Equity Share)	
	Consolidated	Standalone
NAV per Equity Share as of FY 2014 – 15	118.14	121.36
NAV per Equity Share as of FY 2015 – 16	167.03	170.74
NAV per Equity Share as of FY 2016 - 17	53.63	39.11
NAV per Equity Share after the Issue	58.21	47.76
Issue Price per Equity Share	<b>70.00</b>	<b>70.00</b>

*Note: Net Asset Value per Equity Share represents net worth, as restated divided by the number of Equity Shares outstanding as at year.*

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

Name of the company	CMP#	Total Income (₹ in Crore)	Face Value (₹)	EPS (₹)	RONW (%)	NAV per Equity Share (₹)	P/E Ratio
Cadsys (India)*** Limited	70.00	43.63	10	20.26	37.79	53.63	3.53
<b>Peer Group**</b>							
Cyient Limited	527.65	1292.00	5	21.30	13.3	167.2	21.5
Rolta India Limited	55.15	1454.90	10	39.00	27.5	236.9	1.5

#CMP as on August 08, 2017 (source: nseindia.com) and for Issuer company considered as issue price as CMP.

\*\*Source: Capital Market, July 31 -August 13, 2017, Volume-XXXII/12

\*\*\*We believe that currently there are no listed Companies engaged solely in our business segments.

The Issue Price of ₹ 70 has been determined by our Company in consultation with the Lead Manager and believe the same is justified based on the above qualitative and quantitative parameters. For further details, please see the section titled “Risk Factors” on page 14 of this Prospectus and the audited financials of our Company including important profitability and return ratios, as set out in the section titled “Financial Statements” on page 121 of this Prospectus. The trading price of the Equity Shares could decline due to the factors mentioned in section titled “Risk Factors” on page 14 of this Prospectus and an investor may lose all or part of his investment.

## STATEMENT OF TAX BENEFITS

To  
The Board of Directors  
Cadsys (India) Ltd  
3-5-900/1,4th Floor,  
Aparajitha Arcade,  
Himayath Nagar,  
Hyderabad – 500029

Dear Sirs,

**Sub: Statement of possible special tax benefits (“the Statement”) available to Cadsys (India) Limited (“the Company”) and its shareholders prepared in accordance with the requirements in Schedule VIII-Clause (VII) (L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (“the Regulations”)**

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’) as amended by the Finance Act, 2016 (i.e applicable to Financial Year 2016-17 relevant to Assessment Year 2017-18), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

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

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

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

\*No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

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

The enclosed annexure is intended for your information and for inclusion in the Draft Prospectus / Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

For Narven Associates  
Chartered Accountants  
Firm Registration No. 005905S

Sd/-  
CA G.V. Ramana  
Partner

**Membership No. 025992**  
**Place: Hyderabad**  
**Date: July 26, 2017**

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

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2016-17.

**A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

The Company is not entitled to any special tax benefits under the Act.

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

The Shareholders of the Company are not entitled to any special tax benefits under the Act.



## SECTION V: ABOUT THE COMPANY

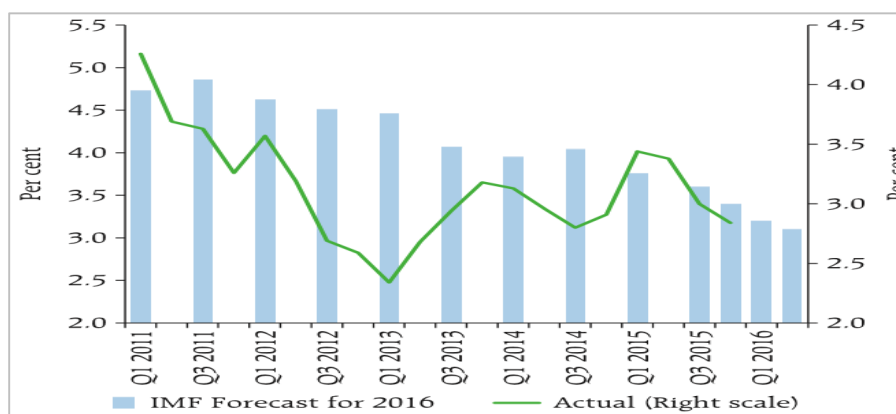
### INDUSTRY OVERVIEW

*The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.*

#### Overview of Indian Economy

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). (Source: <http://indiainbusiness.nic.in/>). The Union Budget for 2017-18 has been announced by the Union Minister for Finance, Government of India, in Parliament on February 1, 2017 and the Economic growth is expected at 6.5 per cent in 2016-17. IMF expects India to grow at 7.2 per cent in 2017 and 7.7 per cent in 2018. (Source: Union Budget for Financial Year 2017-18)

The Indian economy has emerged as a bright spot in the world economy, becoming one of the fastest growing large economies in the world. The 7.6 per cent growth in the GDP at constant market prices in 2015-16, according to the advanced estimates of the Central Statistics Office, compares favorably with growth in the previous three years; 7.2 per cent in 2014-15, 6.6 per cent in 2013-14 and 5.6 per cent in 2012-13. It is noteworthy that this growth is estimated to be achieved despite subdued global demand that dampened India's exports significantly, and two consecutive below-normal monsoons that impacted farm output and productivity. (Source: RBI, Macro-Economic Framework Statement, 2016-17).



Indian economy at this juncture stands out amongst emerging market cohorts in terms of growth and investment potential. However, gross fixed capital formation needs a fillip while maintaining robust trends in consumption to sustain higher levels of growth. With the Government's commitment to continue on the path of fiscal discipline, the efforts on containing the revenue deficit and rationalising subsidies need to be reinforced. India's external sector indicators show a relatively stronger position. However, a faster growth in India's oil import in terms of volume in recent years makes it imperative to be alert to the risks of commodity cycle reversals. (Source: RBI Financial Stability Report – June 2016)

#### Market size

India's gross domestic product (GDP) grew by 7 per cent year-on-year in October-December 2016 quarter, which is the strongest among G-20 countries, as per Organisation for Economic Co-operation and Development (OECD) Economic Survey of India, 2017. According to IMF World Economic Outlook Update (January 2017), Indian economy is expected to grow at 7.2 per cent during FY 2016-17 and further accelerate to 7.7 per cent during FY 2017-18.

#### Overview of the IT and ITeS Industry

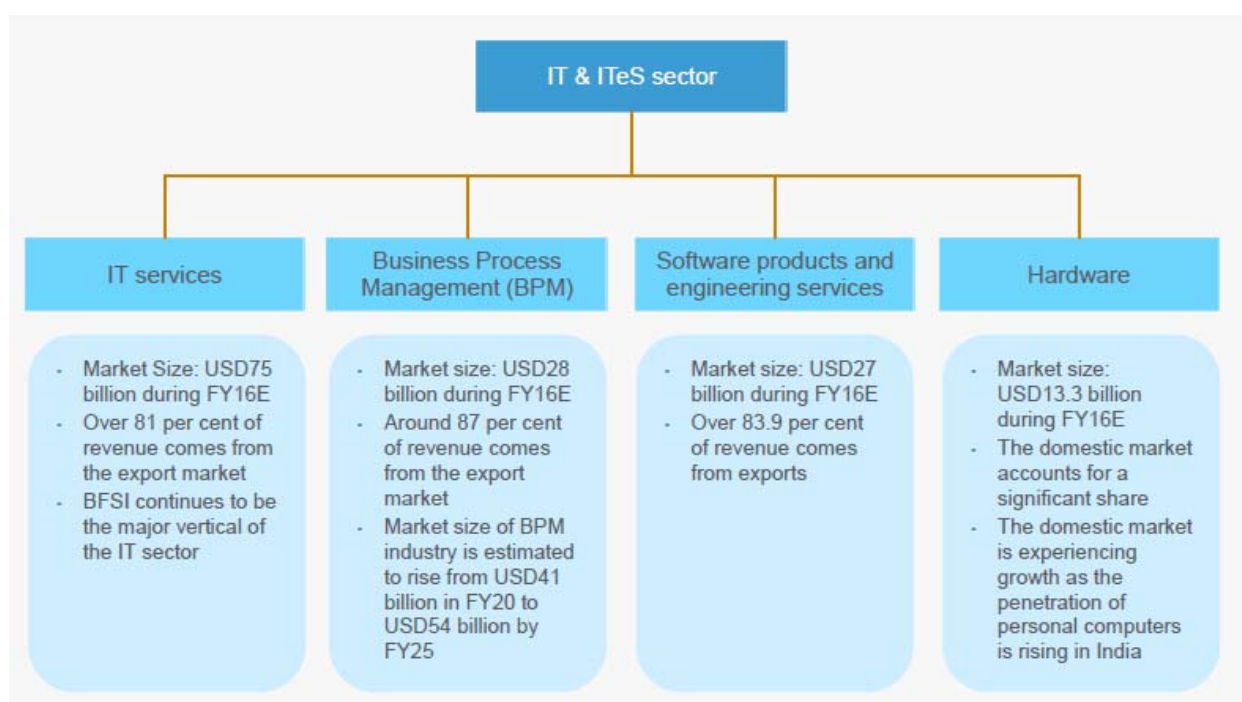
India is the world's largest sourcing destination for the information technology (IT) industry, accounting for

approximately 67 per cent of the US\$ 124-130 billion market. The industry employs about 10 million workforce. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science.

The Indian IT and ITeS industry is divided into four major segments –

- v) IT services,
- vi) Business Process Management (BPM),
- vii) Software products and engineering services, and
- viii) Hardware.

(Source: <http://www.ibef.org/industry/information-technology-india.aspx>)



(Source: Sectoral Report, March 2017 available at <http://www.ibef.org/>)

The IT-BPM sector which is currently valued at US\$ 143 billion is expected to grow at a Compound Annual Growth Rate (CAGR) of 8.3 per cent year-on-year to US\$ 143 billion for 2015-16. The sector is expected to contribute 9.5 per cent of India's Gross Domestic Product (GDP) and more than 45 per cent in total services export in 2015-16.

**Market size of IT industry in India (US\$ billion)**



Source: Nasscom, Make in India, TechSci Research  
Note: E - Estimates

(Source: <http://www.ibef.org/industry/information-technology-india.aspx>)

### ***Export of IT Services***

In FY16 the estimated revenue from exports of IT & BPM sector was USD108 billion. Global IT-BPM spending (excluding hardware) has grown 0.4 per cent over 2015 to nearly USD1.2 trillion.

India's IT industry amounts to 4.26 per cent of the global market, largely due to exports as of 2015. In 2015 India comprised of around 500 BPM players generating a revenue of USD23 billion, which is expected to reach 50 billion in 2020. During FY17 the country's revenue growth in IT exports is expected at 10 per cent.



(Source: <http://www.ibef.org/industry/information-technology-india.aspx>)

### ***Notable Trends in India's IT and ITes Sector:-***

#### ***Global Delivery Model:***

- Indian software product industry is expected to reach the mark of USD100 billion by 2025. The number of global delivery centres of IT firms in India reached 580, spreading out across 75 countries, as of 2014.
- New business models, technologies and addition of new markets is pushing growth; Infosys has opened a shop in Shanghai; TCS already has a big set-up in Uruguay.

#### ***Global Sourcing Hub:***

India continues to maintain a leading position in the global sourcing market. Its market share increased to 55 per cent in 2015. India's IT industry amounts to 7 per cent of the global market.

#### ***Engineering Off shoring:***

- In 2014, India was the most preferred location for Engineering off shoring, as per a customer poll. Companies are now off shoring complete product responsibility;
- The sector includes 640 Offshore Development Centres (ODCs) of 78 countries.

#### ***Most Lucrative Sector for Investments:***

Increased focus on R&D by IT firms in India resulted in rising number of patents filed by them. In 2015 Indian IT-BPM sector is expected to grow 13 per cent since last year and reach USD146 billion.

#### ***Changing Business Dynamics:***

- India's IT market is experiencing a significant shift from a few large-size deals to multiple small-size ones.
- The number of start-ups in technology is expected to reach 50,000, adding to around 2 percent of GDP.
- Delivery models are being altered, as the business is moving to capital expenditure (capex) based models from operational expenditure (opex), from a vendor's frame of reference.

#### ***Large players gaining advantage:***

- Large players with a wide range of capabilities are gaining ground as they move from being simple maintenance providers to full service players, offering infrastructure, system integration and consulting services.

- Of the total revenue, about 80 per cent is contributed by 200 large and medium players.

#### ***New technologies:***

- Disruptive technologies, such as cloud computing, social media and data analytics, are offering new avenues of growth across verticals for IT companies.
- The SMAC (social, mobility, analytics, cloud) market is expected to grow to USD225 billion by 2020.

#### ***Growth in non-linear models:***

India's IT sector is gradually moving from linear models (rising headcount to increase revenue) to non-linear ones. In line with this, IT companies in India are focusing on new models such as platform-based BPM services and creation of intellectual property.

#### ***Consumerisation of IT:***

- Global outsourcing is being used to drive fundamental re-engineering of end-to-end Processes.
- Increased emphasis on beyond cost benefits.
- IT firms in the current phase have moved up the value chain, providing innovation-led growth to clients from SLA satisfaction and RoI calculations.

#### ***Emergence of Tier II cities:***

- Tier II and III cities are increasingly gaining traction among IT companies, aiming to establish business in India
- Cheap labour, affordable real estate, favourable government regulations, tax breaks and SEZ schemes facilitating their emergence as a new IT destination.
- Giving rise to the domestic hub and spoke model, with Tier I cities acting as hubs and Tier II, III and IV as network of spokes.

#### ***SMAC technologies, an inflection point for Indian IT:***

Social, Mobility, Analytics and Cloud (SMAC), a paradigm shift in IT-BPM approaches experienced until now, is leading to digitisation of the entire business model.

#### ***Rural Development:***

The National Optical Fibre Network (NOFN) is being laid down in phases to connect all the 250,000 gram panchayats in the country.

#### ***Advantage India***

- Strong growth in demand for exports from new verticals.
- Rapidly growing urban infrastructure has fostered several IT centres in the country.
- Expanding economy to propel growth in local demand.
- Cost savings of 60–70 per cent over source countries.
- A preferred destination for IT & ITeS in the world; continues to be a leader in the global sourcing industry with 55 per cent market share.
- The Indian IT industry has saved clients USD200 Billion in the past five years.
- IT firms in India have delivery centres across the world; as of 2015, IT firms had a total of 640 centres in >78 countries.
- India's IT industry amounts to 12.3 percent of the global market, largely due to exports.
- IT & ITes industry is well diversified across verticals such as BFSI, telecom and retail.
- Tax holidays extended to the IT sector.
- More liberal system for raising global capital, funding for seed capital & growth, and ease of doing business, etc. have been addressed.
- USD0.17 billion have been allocated for raising global capital, start ups.

- Income Tax cut on royalty fee on tech services to 10 per cent.
- Cumulative FDI inflow in computer software & hardware is USD18,170.24 million from April 2000 to September 2015.

(Source: IBEF Presentation on IT & ITeS, June 2017)

### **Government Initiatives**

Some of the major initiatives taken by the government to promote IT and ITeS sector in India are as follows:

- The Government of India has initiated smart city projects in 60 cities requiring significant use of GIS technology to implement these programmes (Source: [www.smartcities.gov.in](http://www.smartcities.gov.in)).
- The Government of Telangana has signed an agreement with network solutions giant Cisco Systems Incorporation, to cooperate on a host of technology initiatives, including Smart Cities, Internet of Things, cybersecurity, digitisation of manuscripts;
- The Railway Ministry plans to give a digital push to the India Railways by introducing bar-coded tickets, Global Positioning System (GPS) based information systems inside coaches, integration of all facilities dealing with ticketing issues, Wi-Fi facilities at the stations, super-fast long-route train service for unreserved passengers among other developments, which will help to increase the passenger traffic;
- Department of Electronics & Information Technology and M/s Canbank Venture Capital Fund Ltd plan to launch an Electronics Development Fund (EDF), which will be a 'Fund of Funds' to invest in 'Daughter Funds' which would provide risk capital to companies developing new technologies in the area of electronics, nano-electronics and Information Technology (IT).
- Government of India is planning to develop five incubation centres for 'Internet of Things' (IoT) start-ups, as a part of Digital India and Startup India campaign, with at least two centres to be set up in rural areas to develop solutions for smart agriculture;
- The Government of India has launched the Digital India program to provide several government services to the people using IT and to integrate the government departments and the people of India;
- India and the US have agreed to jointly explore opportunities for collaboration on implementing India's ambitious Rs 1.13 trillion (US\$ 16.58 billion) 'Digital India Initiative'. The two sides also agreed to hold the US-India Information and Communication Technology (ICT) Working Group in India later this year.
- The Department of Electronics and Information Technology (DeitY) plans to start a digital literacy programme, aimed at training over six crore Indians in the next three years to empower them for digital inclusion.

(Source: <http://www.ibef.org/industry/information-technology-india.aspx>)

#### **i) Geographic Information System (GIS) and Mapping**

Geographical Information System (GIS) based decision making is being promoted by National Centre of Geo-Informatics (NCoG), DeitY. The GIS platform established by National Centre of Geo-Informatics (NCoG) is a single source GIS platform for sharing, collaboration, location based analytics and decision support system, catering to Central and State government departments across the country. GIS platform has provision to integrate with MIS data of Ministries/Departments, e.g. MGNREGA, Panchayati Raj, Mines, etc. GIS Platform will provide the citizen centric services on web and mobile platform, navigation facility including location based information system. GIS application has already been developed for Ministry of Urban Development, Rural Electrification Corporation and Ministry of Mines by NCoG

(Source: *Electronics and Information Technology – Annual Report 2015 – 2016*)

#### **ii) Telecom Services**

The Telecom Commission was set up by the Government of India *vide* the Resolution dated April 11, 1989 with administrative and financial powers of the Government of India to deal with various aspects of Telecommunications.

The Telecom Commission is responsible for:

- Formulating the policy of Department of Telecommunications for approval of the Government;
- Preparing the budget for the Department of Telecommunications for each financial year and getting it approved by the Government; and

- Implementation of Government's policy in all matters concerning telecommunication.

(Source: <http://www.dot.gov.in/profile>)

### iii) Business Process Management (BPM) Services

IT – BPM sector accounts for largest share in total Indian services export i.e. 45% and accounts for 56% of the total global outsourcing market. IT - BPM sector constitutes ~ 9.3% of India's GDP and is expected to grow to USD 300 billion by 2020. (Source: <http://www.makeinindia.com/sector/it-and-bpm>)

### iv) Software Technology Parks of India (STPI)

Department of Electronics and information Technology (DeitY) has approved project for setting up of an Electropreneur Park for development of Electronics System Design and Manufacturing (ESDM) industry by implementing of Software Technology Parks of India (STPI). (Source: <http://meitv.gov.in/esdm/incubators>). Software Technology Parks of India (STPI) is a society set up by the Ministry of Electronics and Information Technology (MeitY), Government of India in 1991, with the objective of encouraging, promoting and boosting the Software Exports from India. STPI maintains internal engineering resources to provide consulting, training and implementation services. Services cover Network Design, System Integration, Installation, Operations and maintenance of application networks and facilities in varied areas. Process development is based on the Quality Management System. STPI centres also adhere to ISO 9001 certification.

The objectives of Software Technology Parks of India are:

- To promote the development and export of software and software services including Information Technology (IT) enabled services/ Bio- IT;
- To provide statutory and other promotional services to the exporters by implementing Software Technology Parks (STP) / Electronics and Hardware Technology Parks (EHTP) Schemes and other such schemes which may be formulated and entrusted by the Government from time to time;
- To provide data communication services including value added services to IT / IT enabled Services (ITES) related industries; and
- To promote micro, small and medium entrepreneurs by creating conducive environment for entrepreneurship in the field of IT/ITES.

*Services offered by STPI are as follows:*

- STPI can provide customized solutions for the customers. Existing data communication customers can use the local loops more efficiently by using the same to connect to the DR site at STPI for their backup services during scheduled backup hours. Depending on the data size, the same local loops can be used or customers can upgrade their local loop bandwidth;
- STPI has an incubation facility to cater to the needs of Small & Medium scale entrepreneurs. Many industries have operated and are operating from the STPI facility since 1992; and
- The strength of STPI is the expertise available in-house and this is offered for consulting services in planning and implementation of networks using variety of technologies namely feasibility studies, project management, implementation, training and process development.

(Source: <https://www.stpi.in/>)

### Key Trends

The following are the key trends –

- Increased adoption of HR and procurement platforms;
- End – to end outsourcing of F&A services;
- Increase in service delivery centres in Tier II / III locations;
- Increased adoption in BSFI, healthcare and retail sector and emerging geographical markets such as Africa and LATAM; and
- Increase demand from SMBs.



(Source: Nasscom Report October, 2015)



(Source: Nasscom BPM Survey Findings 2014)

### ***Regulatory Reinforcements***

#### ***BPO Promotion Scheme under Digital India Programme***

North East BPO Promotion Scheme (NEBPS) and India BPO Promotion Scheme (IBPS) have been launched under Digital India Programme for creation of jobs in BPO/ITeS Sector and secure balanced regional development. These schemes provide capital support in the form of Viability Gap Funding to eligible Companies. The Software Technology Parks of India (STPI), an autonomous society of DeitY has been designated as the Nodal Agency for implementation of the NEBPS.

#### ***International Co-operation Division***

International Cooperation (IC) Division of this department has been synergized its efforts to further IT-ITES Trade globally including diversification of to geographies other than USA and UK. The IC Division has been involved in the following tasks:

- Aligning foreign collaboration activities in India's 'Digital India program' and 'Make in India' initiatives of the Government of India;
- Creating a conducive environment for international cooperation to help industries to cooperate with the industries of other countries;
- Fostering, encouraging and promoting research and development in the application of information technology related facilities;
- Coordinating technical and policy issues with international bodies/institutions like UN, WSIS, World Bank, WTO etc. to safeguard India's interest; and
- Initiating joint projects like IT institutes, software parks, programmes for joint R&D and facilitating IT Advisers etc.

#### ***International Projects in Information and Communications Technology (ICT)***

DeitY has been assisting the Ministry of External Affairs to execute a number of strategic projects in developing and least developed countries. Under such initiatives, more than 40 Centers of Excellence on IT, IT Parks, Capacity Building Institutes, tele-medicine and tele-education facilities, e-network have been established till date.

#### ***Internet of Things (IoT)***

DeitY in association with ERNET a nodal agency of DeitY and NASSCOM has established Center of Excellence (CoE) for Internet of Things (IoT) on a Public Private Partnership (PPP) model to "Enable IoT ecosystem through maximizing indigenous solutions across the IoT value chain, leveraging India's strength in IT through collaborative efforts of Industry- Government- Academia -Start-ups/Entrepreneurs" for India's contribution to global competitiveness and wellbeing.

(Source: *Electronics and Information Technology – Annual Report 2015 – 2016*)

#### *National Policy on Electronics(NPE)*

The Government has recently approved National Policy on Electronics (NPE). One of the important objectives of the NPE is to achieve a turnover of about USD 400 Billion by 2020 involving investment of about USD 100 Billion and employment to around 28 million by 2020. This, *inter alia*, includes achieving a turnover of USD 55 Billion of chip design and embedded software industry, USD 80 Billion of exports in the sector. Moreover, the policy also proposes setting up of over 200 Electronic Manufacturing Clusters. Another important objective of the policy is to significantly upscale high-end human resource creation to 2500 PhDs annually by 2020 in the sector. Several other policy initiatives have been approved in last few months. These include providing very attractive financial investment in electronics manufacturing and providing preference to domestically manufactured electronic goods in all Government procurement as well as all those electronic goods whose use has security implications for the country. The financial incentives are available not only for new units but also for units relocating from abroad. Apart from covering electronic hardware products relating to IT and office automation, telecom, consumer electronics, electronic components, etc., a wide range of products relating to verticals like solar photovoltaic, automotive electronics, medical electronics, avionics, LED etc are covered. To address the issue of infrastructure, a scheme for Electronics Manufacturing Cluster provides 50% of the cost of upgrading infrastructure and logistics as grant in aid from Government.

(Source: <http://meity.gov.in/esdm>)

#### *National Knowledge Network (NKN)*

The Government's decision to set up National Knowledge Network was announced in the Budget Speech, 2008-09. An initial amount of ₹ 100 crore for FY 2008-09 was allocated to the Department for establishing the National Knowledge Network. The objective of the National Knowledge Network (NKN) is to interconnect all institutions of higher learning and research with a high speed data communication network to facilitate knowledge sharing and collaborative research. NKN will facilitate advanced distance education in specialized fields like engineering, science, medicine etc. as well as enable an ultra-high speed e-Governance. The application areas envisaged under the National Knowledge Network cover agriculture, education, health, e-governance and Grid Computing (High Performance Computing).

(Source: <http://meity.gov.in/content/national-knowledge-network>)

#### **Road Ahead**

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Social, Mobility, Analytics and Cloud (SMAC) are collectively expected to offer a US\$ 1 trillion opportunity. Cloud represents the largest opportunity under SMAC, increasing at a CAGR of approximately 30 per cent to around US\$ 650-700 billion by 2020. The social media is the second most lucrative segment for IT firms, offering a US\$ 250 billion market opportunity by 2020. The Indian e-commerce segment is US\$ 12 billion in size and is witnessing strong growth and thereby offers another attractive avenue for IT companies to develop products and services to cater to the high growth consumer segment.

Exchange Rate Used: INR 1 = US\$ 0.015 as on February 9, 2017

(Source: *Media Reports, Press Information Bureau (PIB), Department of Industrial Policy and Promotion (DIPP) statistics, Department of Information and Technology, Union Budget 2017-18*)



## OUR BUSINESS

*The information in this section should be read together with, the detailed financial and other information included in this Prospectus, including the information contained in the sections titled “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Company” and “Financial Statements” on pages 14, 171 and 121 respectively. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statements.*

### Overview

Incorporated in the year 1992, we are a domain-focused GIS and engineering business technology service provider headquartered in Hyderabad, Telangana, India, with presence in the United States. We are primarily engaged in providing IT enabled services for geospatial, field engineering survey, software development and engineering design services in the domains like, telecom, CATV, oil & gas, electricity and other utilities. We leverage a differentiated business model through investments in pre-fabricated software components and frameworks to build enduring value for our customers. We have expanded our service portfolio with strategic acquisitions to emerge as a well-balanced player in the IT services segment.

We set up a software engineering facility in Hyderabad in the year 1996. Our Company has also been certified by ISO 9001:2015 for design, development, Production, Support of Geographical Information System and Engineering Services and ISMS Certificate – ISO/IEC 27001:2013 for Geographical Information System and Engineering Services business including all support functions of the organisation. Our clients include government departments and companies in telecom, power and other utility sectors.

Our customer engagements comprise holistic analysis of issues which span across people, process, technology, as well as learning and innovation.

We offered our services under the following Strategic Business Unit (SBUs) viz:

- A. Geospatial Engineering Services, Mapping services, Telecom and CATV services;
- B. Architecture and Engineering services;
- C. Software and e-learning services.

We provide GIS and mapping services in USA and India. We have more than 20 years of expertise and have mapped thousands of square miles of the earth’s surface. During the last 20 years we have successfully implemented complex enterprise GIS solutions for a wide variety of public and private sector clients.

Our Computer Aided Design (CAD) & Drafting team has a proven track record on Geospatial Engineering Services in terms of Data Conversion & Migration and Mapping Services like Data Capture & AM/FM Mapping to various domains such as Telecom, Utilities, Gas & Electricity.

A Geographic Information System (**GIS**) is a technological tool that helps us to understand geography better and assists in making intelligent decisions. This application is used in mining and oil exploration, flood control and disaster management, traffic management, crime control, waste disposal and environment management, sales ware housing and marketing, consumer applications – like navigational charts and location based services.

We are also involved in designing next-generation fibre networks/systems i.e. FTTx, HFC and DAS for telecommunication companies across the globe. Our offshore design methodology helps the customers in their business areas offering Triple Play services i.e. Voice, Data and Video, Broadband i.e. High-speed Internet and CATV. Our telecom engineering design team consists of a group of highly qualified and experienced professionals, technical experts who offer a broad range of engineering services for wired or wireless Information Technology and Telecom networks. Our team provides assistance and practical support on all aspects of Outside Plant Network Infrastructure and field operations. We help communications, engineering, and utility organizations more effectively to manage their people, data, and infrastructure.

We have specifically developed software Super Pro used for CATV and telecom customers to design their OSP network. This software has enabled us to bag new large projects from customers from leading silicon and internet companies. We have also developed a comprehensive project management software for managing projects or large program with unique spatial intelligence. This software was conceptualized by experts in the field who have ensured that the features in software enable managing all the nuances of projects, objectively.

We offer architecture and engineering services which includes mechanical, electrical & plumbing and building management system design. We also provide flexible, scalable content design, development/production services to our customers. Our innovative engineering services and enterprise software solutions help customers to gain a competitive advantage by enhancing productivity and improving quality of entire operation, from planning and installation to network maintenance and upgrades. The various services are detailed below.

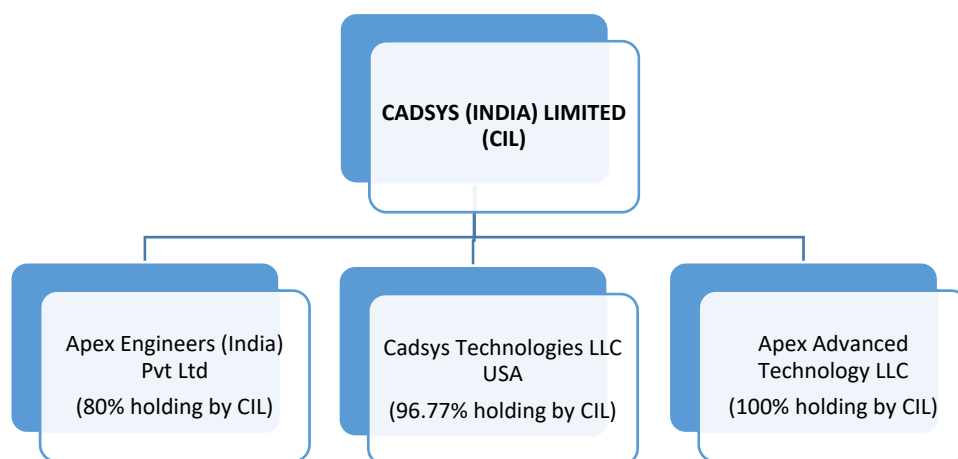
Our growth and current business positioning is attributable to our recent past where we have proved the success of our inorganic strategies and our capabilities to manage growth. In the year 2016, one of our Subsidiary, Apex Advanced Technology LLC, has acquired the GIS business of US based company.

Our products and services cater to the companies involved in the business of communications, electric utilities, field services and municipals with electric, gas and water utilities. We have till date served a client base of 18 customers majorly located at United States, Middle East by a diverse workforce of over 500 employees operating at Hyderabad. We have successfully delivered over 50 projects till date. We have presence in the USA through our subsidiary offices in Maryland and Virginia.

We primarily employ graduates and post graduates in engineering and management who receive training in-house. We make continuous investments in human resources in order to service our clients and to serve the needs of our customers. In addition, we undertake training and skilled development programme by recruiting apprentice from apprentice board. Based on our Restated Consolidated Financial Statements, our total employee benefits expenses for the financial years ended 2017, 2016 and 2015 were 58%, 73% and 71% of our total expenditure.

Based on our Restated Consolidated Financial Statements, our revenue from operations were ₹4,257.47 Lacs, ₹2,984.15 Lacs, ₹2,354.36 Lacs, ₹2,000.45 Lacs and ₹1,369.18 Lacs and our profit after tax (after adjustment of share of minority interest) was ₹1,094.79 Lacs, ₹551.73 Lacs, ₹468.39 Lacs, ₹296.99 Lacs and 218.57 Lacs for the financial years ended 2017, 2016, 2015, 2014 and 2013 respectively.

**The corporate structure of our Company is as follows:**



### **Competitive Strengths**

We believe that the following are our principal competitive strengths, which differentiates us from other IT solutions providers:

### ***Client – Relationship Capital***

We establish long-term relationships with our clients. With an unflinching commitment to ‘value based growth’ which has been the corner-stone of our existence, we have till date served a client base of 18 customers. Our broad range of service offerings helped us to cross-sell additional services to existing customers as well as to acquire new customers. We also conduct regular reviews with senior management of all our key clients to engage

with them to provide consistent service and to identify and work on future opportunities. We combine our comprehensive range of service offerings with industry specific experiences and insights to provide tailored solutions to our clients across business verticals, industries and geographies. Our commitment to client satisfaction serves to strengthen our relationships. This relationship capital built over the years translates to a competitive strength as we are in a position to leverage these relationships to build scale.

#### ***Leverage quality processes and project management capabilities***

We leverage quality processes and project management capabilities. Our philosophy since inception has been in building and providing services through proprietary service delivery accelerators. Data integrity and land base accuracy are the key factors for effective use of GIS applications. In addition, a sanitized data can be properly leveraged for applications requiring higher levels of accuracy (work management, GPS, mobile/field, routing/navigation), as well as improve the day to day operational efficiencies of design and engineering.

We provide a comprehensive solution to address the need of our customers by using its proprietary conflation tool. Our proven data conflation software solution enables utilities to align existing data with a new and more spatially accurate land base source. We specialize in providing highly accurate conflation and realignment solutions at substantially low costs, and thereby meeting the geospatial needs of organizations of varied strengths.

#### ***Glocalisation Delivery Model***

Our operations involve developing a workflow that balances the onshore customer service and offshore back office strengths. Consequently, our operations involve strategic presence in countries like United States, Middle East and Australia backed by strong offshore support from India. .

Our blended onshore and offshore delivery model offers a smart balance of quality, cost savings and localizations. This model enables us to achieve consistently high standards of quality in our delivery organization while optimizing the costs for our clients.

#### ***Depth of experience and knowledge in targeted industry segments***

We actively track the industry trends, technologies, and markets that drive our customers businesses in our target industry verticals. We have invested in building a team of industry specialists who have an understanding of the industries in which our customers operate and the competencies that they require. We have established competency centers, across our domain, product engineering and platform expertise that are cross-functional teams which identify opportunities and develop capabilities to differentiate, support and promote our core businesses.

#### ***Quality Talent and Experienced Leadership Team***

The senior management team includes some of the most experienced managers in the Indian IT services industry. Some of our senior management team have been with us for approximately 10 (ten) years and have been instrumental in the growth of our Company. Our Promoter and Managing Director is recognised as one of the pioneers in the IT services industry. He is the member on the Board of Governors at Tiruchirappalli Regional Engineering College (TREC), Science and Technology Entrepreneurs Park (STEP). A cohesive team of our experienced senior management coupled with trained managers and skilled employees enables us to identify new avenues of growth, and help us to implement our business strategies in an efficient manner and to continue to build on our track record of successful projects.

#### ***Our Strategy***

We seek to further enhance our position as a leading provider of integrated IT enabled Solutions and Services, to achieve this goal we seek to:

#### ***Focus on deepening and strengthening our relationships with our customers***

Over the years, we have developed strong relationships with our clients. Given the nature of our service, our success depends on our ability to help clients deliver more value to their customers. Towards this, we conduct periodic market scans to identify technologies with the potential for achieving significant improvements in the manner in which processes were hitherto being managed. We intend to continue building our long term

relationships and strengthen and deepen our relationships with our customers by expanding our service offerings.

### ***Focus on fibre engineering design for telecommunication clients***

We aim to use our technologies to assist utility providers and field service companies for effective performance of their work by automating work processes and reducing work content to lower their engineering and field services costs. We intend to offer our customers the most cost effective engineering services and field data collection services. In order to achieve the same, we will build a network of field data collection strategic partners that are bound together by common business tools and processes. This helps to gather field data and make engineering designs more efficiently and with better quality. Our recently developed Spatial RPM product compared to legacy engineering methods can generate 50% improvement in productivity with higher data quality creating unprecedented value to our customers.

### ***Expansion of our global capabilities***

We intend to strengthen our global presence with the goal of increasing market share in the communications, utility, and field services markets by offering high quality services and solutions that create value for our customers and long-term customer relationships. As on date, our marketing offices are situated in Herndon (Virginia) and Silver spring (Maryland). We intend to further expand our global presence, which will provide us with greater competitive advantages in acquiring and servicing our global clients. We propose to expand our operations in Other European Countries, Asia-Pacific markets and Middle Eastern countries. Our enterprise solution being a cloud based, technology is easily accessible and deployable beyond Geographical limitations with scalable capabilities.

### ***Innovative and Cutting Edge Technology***

We intend to expand our research and development capabilities to develop innovative products with cutting edge technology so as to be future ready with a wide range of product offerings with multiple technologies on various platforms catering to different industries. The entire technology platform evolution has gone through numerous iterations based on customer need, real time effectiveness, utility, feasibility and feedback. We believe in simplifying the efforts of field force using technology with ease and make it a measurable productivity.

### ***Invest in Human Capital***

As a people-based business, we continue to invest in the development of our professionals and to provide them with entrepreneurial opportunities and career development and advancement. Our technology, business consulting and project management councils ensure that each client team learns best practices being developed across our industry. We believe this will result in a team of motivated professionals armed with the ability to deliver high-quality and high-value services for our clients.

Our Company strongly believes not only in keeping up with latest technology developments and quick adoption of the same but also in investing in right set of people at various levels. We intend to establish a Centre of Excellence which shall have the latest infrastructure, technology and facilities to enable our employees to train further and obtain new skill sets. The Centre of Excellence shall train new recruits and make them capable to be directly deployed in the business of our Company so as to ensure seamless deployment of our products and servicing of clients. We encourage and organise in-house technology discussion & knowledge sharing sessions to innovate new modes of development & incorporate new technologies to enhance our solution capability.

### **Product and Service Offerings**

We have evolved in line with our business model of specialization and positioning around niche competencies. We offer a variety of solutions and services in mainly four areas:

#### **A. Geospatial engineering services and mapping services:**

GIS Data Services:

- Spatial data Analysis & Manipulation
- Data translation and transformation between file formats
- Cross-platform data migration

- Backlog records posting
- Ongoing records maintenance

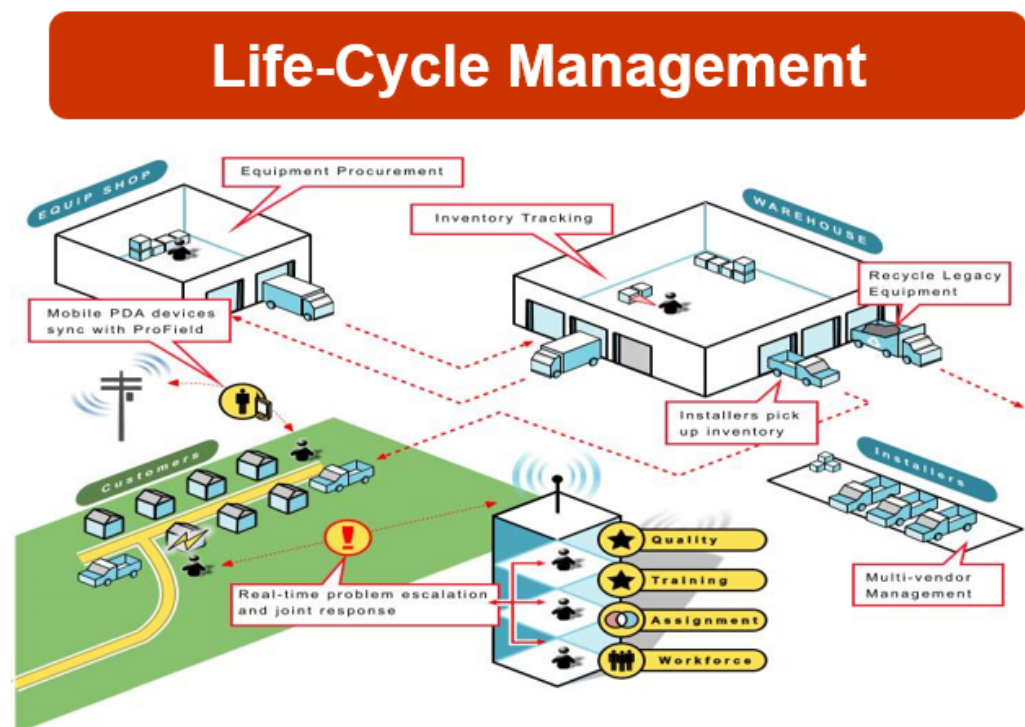
GIS Application Development:

- Spatial Database development
- Enterprise Integration
- User-defined tools development

Mapping Services:

- Records Conversion for AM/FM Systems
- Land base Management (i.e. Streets, Parcel)
- Engineering and Base Mapping using ESRI, AutoCAD, MapInfo

GIS affects every facet of Outside Plan Asset Life cycle. The figure below shows various such stages:



GIS can be extensively used in the mining industry to resolve complex scenarios. GIS gives the exploration tools to manage, display, and analyze data resulting in successful, cost-effective discovery of new mineral deposits and oil reserves.

Uses of GIS in mining and oil industries:

- Data index maps: GIS helps to show large areas of the operation to understand easily the web based maps. It helps to visualize the data of a small area to complete operational area.
- Block ranking: It helps to identify and rank the oil blocks through quantitative analysis combined with spatial distribution and thus gives competitive advantage for the oil companies in acquiring licensing.
- Land management: It helps enormously for generating reports that are required by the regulators.
- Well planning: Spatial Analytics can be used for optimizing the drilling patterns.
- Environmental monitoring: It helps to accurately monitor environmental changes associated with operations.
- Pipeline routing: It helps in determining the optimum route using least-cost path analysis.
- Vessel tracking: GIS is used for tracking valuable assets like vehicles and boats which are mobile.

- Emergency response: GIS is essential during emergencies such as oil spills and gas explosions, both in mitigation planning and response management.
- Pipeline monitoring: GIS is used to continually monitor and check for leaks and geo-hazards, and to manage and track inspections.

**Uses of GIS in flood control and disaster management:** Floods are among the most destructive acts of nature. However, remedial measures can be taken with the help of GIS based simulations. The spatial information can be analyzed and different scenarios can be simulated with the proven spatial models.

GIS can be used very effectively for flood management for detailed mapping which is input to various types of hydrological models, developing a larger scale view of the general flood situation within a river basin, hazard zone mapping and developing mitigation strategies and preparedness plans, providing real time geographic data that can improve the allocation of resources for any response.

**GIS for e-governance:** GIS can be effectively used in crime control by identifying the potential areas and mapping with the potential offenders. The overlapping areas will have more crime compared to other areas. GIS can be used for crime pattern analysis, hotspot identification from stack of history of the events, identify the escape routes and blocking them.

GIS can help in effective transportation, dumping and disposing of the solid waste. The solid waste can harm the land, water and air quality around the dumping areas. GIS can be used to identify the areas which are most suitable for the water disposal, design optimal route for the collection of solid waste, monitor waste volume over years and assess environmental hazards of solid waste dumping and disposal. GIS is also used in Consumer Applications such as navigational charts and Location Based Services. The effective usage of these solutions will result in:

**Better Infrastructure Management:** GIS solutions help electric utilities to manage their outside plant infrastructure from the substation to the customer's meter. The system utilizes technology and offers functionalities as network tracing, staking sheets and work order management. The system is web based and will allow the customer to view and edit their facilities over the World Wide Web.

**Security Management System:** The product can be used to offer remote monitoring and data collection. This facilitates the companies to protect their remote assets and also monitor the status and health of their assets. This product is used by wireless companies that wish to monitor their cell towers. It is also useful for utility companies who want to monitor their network and other assets.

**Integration of data:** Integration of data will prevent utilities from having to manually input data into multiple systems. It not only saves labor costs but also improves quality. This will efficiently and cost effectively moves data from various "stove-pipe" legacy systems to one central data warehouse such as the company's GIS Enterprise System.

## **B. Telecom and CATV services:**

This line of business involves the following activities:

### **Field Survey & Consultation**

- Project Management
- GPS surveys and data collection
- Utility pole line surveys and assessments
- Fibre walkout surveys
- Desktop Building surveys (Residential MDU and Commercial)

### **Network Planning & Specialization**

- Route feasibility and planning studies
- Transit Network
- Local & Distribution Network
- Access Network

## Network Design & Documentation

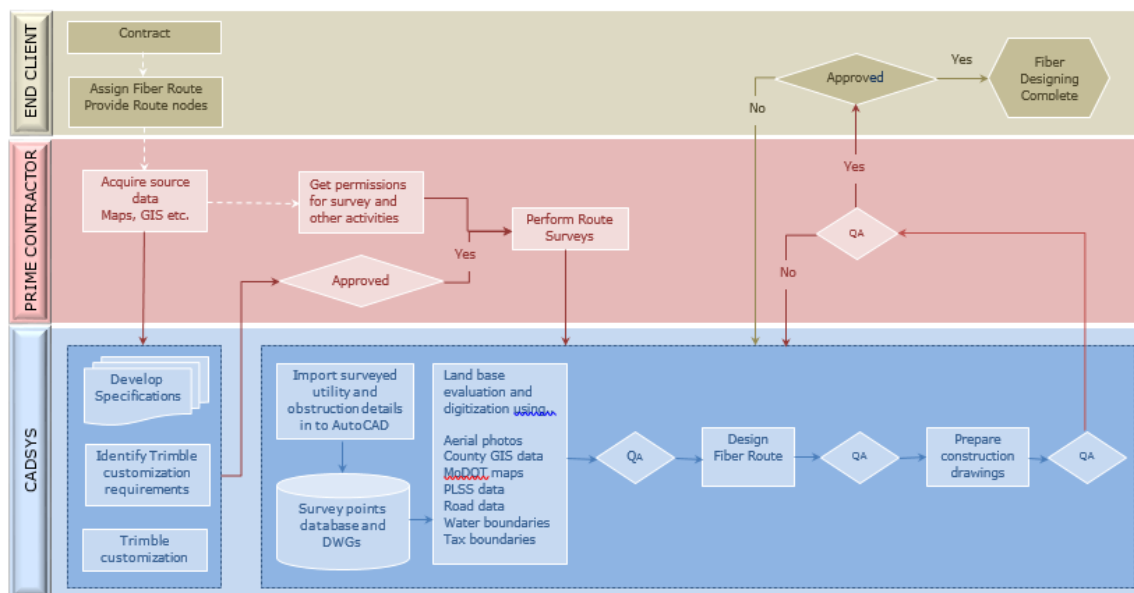
- FTTx planning & design (Active and passive networks)
- Hybrid (coaxial/fiber) – Cable television network design
- Loose tube & Ribbon fiber design
- Fiber optic transport system design
- Traditional telecom network design (Copper)

## Fiber Management

- Operations & Maintenance
- Fiber Optimization
- Cable fault testing
- Cable loop testing

The figure below shows our typical process flow for Fiber Design:

### Process Flow Chart



## C. Architecture, Engineering & Building Information Modelling services and Feasibility services:

We provide the following services under this business group:

### Architecture:

- Feasibility studies.
- Concept Design.
- Design Review.
- Specialized services in ICT, Integrated BMS & Security systems.
- LEED Consultancy, energy audit & Mgmt.
- Building Information Modeling.

### Heating, Ventilation and Air Conditioning (HVAC) Detailed Engineering:

- Heat Load Calculation.
- Selection of HVAC Equipment's.
- Heating, Cooling & Ventilation Schematics.

- Control schematics.
- Energy efficiency analysis.
- Ducting plan, section and details.
- Duct fabrication Drawing.
- Bill of Quantity.

#### **Electrical Detailed Engineering:**

- Electrical Load calculations.
- Lighting calculations.
- Electrical Single Line Diagram.
- Single line diagram-for fire detection and alarm system and gas based system.
- Security systems layout.
- Fire Alarm Layout.
- Bill of Quantity.
- Security Systems
- Information and Communication Technology (ICT)
- Integrated BMS

#### **Plumbing Detailed Engineering:**

- Plumbing calculations
- Water supply distribution layouts & Schematics
- Storm water drainage system
- Irrigation water supply
- Soil & Waste Schematics.
- Soil & Waste system Layouts (Plans & Details).
- Piped Medical Gas
- Selection of Insulation for Piping Materials.
- Fire Protection

#### **D. Software and e-Learning services:**

We provide flexible, scalable content design, development/production services that include:

- Multimedia, instructional design, interaction and user interface design
- Storyboarding, scripting and editing
- Multimedia authoring and web programming
- Converting content to eLearning standards (SCORM, AICC, Section 508 Compliance)
- Development of electronic performance support & help systems (EPSS), electronic technical manuals, and eBooks
- Content taxonomies, meta-data, and XML repository development
- Convert traditional media into digital media.

#### **Research and Development (“R&D”)**

We engage with our customers in developing tools and products combining their knowledge of the business with our technical expertise. Our R&D initiatives are run by our technology cell and client-specific R&D functions are run by the respective heads of the business projects and service lines. Our areas of research are focused on automation tools for application development, testing, migration and re-engineering. We have an enterprise business solution laboratory which tests innovative business ideas and adds value to clients. It also introduces prototype solutions to reduce implementation time and costs associated with our IT enabled services.

#### **Sales and Marketing Network**

Our sales team works to identify sales opportunities to existing and prospective clients and is spread across the world. Our sales network comprises of 3 (three) offices in 2 (two) countries, which has helped us establish our presence in those countries.



## Quality Processes

We focus on processes which help us deliver quality services. Our facility has also been certified ISO 9001:2015 for design, development, Production and Support of Geographical Information System and Engineering Services and ISMS Certificates – ISO/IEC 27001:2013 for Geographical Information System and Engineering Services business including all support functions of the organisation.

## List of Equipment's:

Some of the major equipment owned by us and available are:-

<b>A HARDWARE AVAILABLE</b>		
	<b>Item</b>	<b>Quantity (Nos.)</b>
1.	Server*	21
2.	PCs / Workstations	430
3.	Dual-monitor	95
4.	Laptops	30
5.	UPS	4
6.	Data Switches	50
7.	Plotters	1
8.	Scanner	1
9.	Printers	15
10.	EPABX - (Exchange with 75 Extensions)	3
11.	Router with Leased Lines (70MBPS -1, 30MBPS -1, 10 MBPS – 1)	3

\*The Total Server capacity is 73.7 Tera Bytes.

## Utilities & Infrastructure

Our Office and the units are well equipped with computer systems, Internet connectivity, other communication equipment, security and other facilities, which are required for smooth functioning of business activity.

## Water

Water is required for human consumption and adequate water sources are available. The requirements are fully met at the existing premises.

## Power

Our Company has sufficient supply of power to carry out normal operations. In addition, we have 2 DG sets of 250 KVA used as a back – up.

## Collaborations

Currently we have not entered into any technical or other collaborations.

## Training and development

We devote significant resources to train and integrate all new employees into our Company. We conduct a training programme for all lateral hires to introduce them to our culture and value system.

## Export Obligations

There are no export obligations as on the date of this Prospectus.

## Capacity and Capacity Utilization

Our Company is into ITES sector, therefore installed capacity and capacity utilization is not applicable to our Company.

## Human Resources

Our work force is a critical factor in maintaining our competitive position and our human resource policies focus on training and retaining our employees. As on July 31, 2017, we have over 500 (five hundred) employees across 5 (five) offices located in India and United States. Our success depends on our ability to recruit, train and retain professionals. Accordingly, our brand name, industry leadership position, wide range of growth opportunities, focus on long-term professional development give us significant advantages in attracting and retaining skilled employees. The details of the employees are mentioned below:

Category	Company Pay Roll	Casual Labour / Employees on daily wages / Contract Basis / Consultant	Total
Directors	2	-	2
Senior Managerial	20	-	20
Managers / Officers / Executive	68	-	68
Skilled Staff	132	4	136
Semi Skilled	166	10	176
Unskilled Labor	-	3	3
Trainees	-	107	107
<b>TOTAL</b>	<b>388</b>	<b>124</b>	<b>512</b>

## Competition

We focus on change management solutions to organisations. Accordingly, we have different set of competitors for our various individual offerings. While we expect these competitive pressures to continue, our focused technology expertise, client references and track record with our customers, flexible approach and highly motivated professionals gives us sufficient edge to keep capturing new clients in geographies in which we are present.

We also believe that our global delivery model, which combines offshore and near shore delivery centers, helps us to respond to new opportunities and obtain customers, meet client requirements for business continuity planning and recruit skilled IT professionals with location-specific language and cultural skills.

## Insurance

Our Company has insurance coverage which is reasonably sufficient to cover all normal risks associated with our operations and is in accordance with the industry standards.

We have taken insurance policies with various insurance companies covering risks in relation to our business and our employees such as Burglary Insurance policy, Employee group insurance, Group Medical insurance policy and Standard Fire and Special Perils policy.

## Intellectual Property

Our logo and trademark used by us in the ordinary course of business are not registered. For details relating to the intellectual property please refer to the chapter *“Risk Factors – Infringement of our Intellectual Property by unauthorized personnel may not only diminish our competitive advantage but may also result in our competitors developing similar technology, solutions, products or services which compete with services provided by our Company and may also be subjected to customer and/or third-party claims of Intellectual Property infringement, which may adversely affect our financial condition and results of operations.”* on page 14 of this Prospectus.

## Properties

Our Registered Office and Branch Office from where we operate are located on premises which have been leased to us for a specific term. Further, two of our Subsidiaries, namely Apex Engineers (India) Private Limited and Apex Advanced Technology LLC are located on premises leased by us and Cadsys Technologies LLC is located on premises for which we have not entered into any formal arrangement. We have recently made part payment for purchase of a land from Andhra Pradesh Industrial Infrastructure Corporation located at IT SEZ near Amaravathi, Andhra Pradesh for commercial use.

For further details, please refer to the chapter *“Risk Factors – We do not own certain premises used by our Company. Disruption of our rights as lessee or termination of the agreements with our lessors would adversely impact our manufacturing operations and, consequently, our business.”* on page 14 of this Prospectus.

## KEY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice.*

*Additionally, the projects require, at various stages, the sanction of the concerned authorities under the relevant Central and State legislations and local byelaws. The following is an overview of some of the important laws and regulations, which are relevant to our business.*

*For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled “Government and Other Approvals” beginning on page 190 of the Prospectus.*

### INDUSTRY SPECIFIC REGULATIONS

#### ***The Information Technology (Amendment) Act, 2008 (“IT Act”)***

The Information Technology Act, 2008 has been enacted to provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "Electronic Commerce", which involve the use of alternatives to paper-based methods of communication and storage of information etc. Additionally, the said Act also provides for civil and criminal liabilities including fines and imprisonment for various computer related offences. These include offences relating to unauthorized access to computer systems; it also recognizes contracts concluded through electronic means, creates liability for failure to protect sensitive personal data and gives protection to intermediaries in respect of third party information liability. It also provides civil and criminal Liabilities. The Information Technology Act also provides punishment for offences committed outside India.

The Department of Information and technology under the Ministry of Communications & information Technology, Government of India, has notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive personal Data or Information) Rules 2011 (the “Personal data Protection Rules”) which gives directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The said Rules also require the body corporate to provide a privacy policy for handling and dealing on personal information, including sensitive personal data.

#### ***The Micro, Small and Medium Enterprises Development Act, 2006***

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”) as amended from time to time seeks to facilitate the promotion, development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act, defines the Micro, Small and Medium Enterprises based (i) on the investment in plant and machinery for those engaged in manufacturing or production, processing or preservation of goods and (ii) on the investment in equipment for enterprises engaged in providing or rendering of Services. Any person who intends to establish micro, small or medium enterprise shall file industrial entrepreneur memorandum (IEM) with the authority under section 8 of MSMED Act. The MSMED Act ensures that the buyer of goods makes payment for the goods supplied to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty five days from the day of acceptance of goods. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (“Council”). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

#### ***Software Technology Parks (STP) Scheme***

Software Technology Parks of India (“STPI”) was established and registered as an Autonomous Society under the Societies Registration Act 1860, under the Ministry of Electronics & Information Technology (MeitY), Government of India on June 5, 1991 with an objective to implement STP Scheme, set-up and manage

infrastructure facilities including data com & incubation for startups and provide other services like technology assessment and professional training.

The Software Technology Parks Scheme (under The Ministry of Information Technology, Government of India) was notified by the Central Government (Ministry of Commerce) in exercise of its powers under Section 3 (1) of the Foreign Trade Development and Regulation Act, 1992 to encourage, promote and boost the software exports from India. The STP Scheme permits the establishment of units engaged in software development and establishment of units engaged in information technology enabled products and services (ITES).

The STP Scheme is a 100% export oriented scheme for units engaged in software development for export, using data communication links or in the form of physical media and includes export of professional services. The production of products which are notified as information technology enabled products and services qualify their producer or provider of such products and services for establishing a unit in and benefiting from the STP Scheme. This scheme is unique in its nature as it focuses on one product/sector, i.e. computer software. The scheme integrates the government concept of 100% Export Oriented Units (EOUs) and Export Processing Zones (EPZs) and the concept of Science Parks/Technology Parks, as operating elsewhere in the world.

For establishing a 100% Export Oriented Unit (EOU) developing computer software for export. The following activities are covered under the scheme.

1. Manufacture/Development of software in India for exports.
2. Onsite Consultancy Services for development of software at the client's site abroad.
3. IT enabled products or services such as Back Office Operations, Call Centres, Content Development or Animation, Data Processing, Engineering and Design, Geographic Information System Services, Human Resource Services, Insurance Claim Processing, Legal Databases, Medical Transcription, Payroll, Remote Maintenance, Revenue Accounting Support Centres and Website services "provided payments for such services are received in free foreign exchange".
4. Sales in the Domestic market are also permitted to extent of 50% on FOB value of exports with prior permission

Permission to be registered as a STP unit under the STP Scheme is sanctioned subject to compliance with the conditions specified in the STP Scheme. The registration as a STP is location specific. The period of operation under the scheme, is initially for a period of 5 years from the date of commercial production. This period may be extended for a further period of 5 years at a time. After completion of the initial period of 5 years, it is open to the unit either to opt out of the scheme or to continue for another period of 5 years and a request shall accordingly be made to STPI.

The STPI provides for infrastructure facilities such as data communication facilities, operational space, common amenities, single window statutory services such as project approval, import certification, training and other facilities to boost software exports from India.

**An STP unit is entitled to the following features /benefits under the STP Scheme attracting entrepreneurs:**

- Single Window clearance and approval.
- Customs Duty Exemption in full on imports.
- Central Excise Duty Exemption in full on indigenous procurement.
- Central Sales Tax Reimbursement on indigenous purchase.
- All relevant equipment / goods including second hand equipment can be imported (except prohibited items).
- Equipment can also be imported on loan basis / lease.
- High Speed Data Communication Link provided for the export of software.
- No separate Import/Export license required.
- Green Card enabling priority treatment for Government clearances/other services.
- 100% foreign equity investment in the companies permissible.
- Sales in the DTA up to 50% of the FOB value of exports permissible.
- Use of computer imported for training permissible subject to certain conditions.
- Depreciation on computers at accelerated rates up to 100% over 5 years is permissible.
- Computers can be donated after two years of use to recognized non-commercial Educational Institutions/Hospitals without payment of duty.

### ***Shops and establishments laws in various states***

Shops and Establishments Acts are state enactments being different for every state of India. Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Every establishment not regulated/being under the purview of Factories Act, 1948 has to be registered under the respective state Shops and Establishments Act.

### ***The Foreign Trade (Development and Regulation) Act, 1992 ("FTA")***

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import ("EXIM") Policy. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number ("IEC") unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

### ***The Foreign Exchange Management Act, 1999 (FEMA) and Regulations framed thereunder***

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act ("FEMA"), and the rules, regulations and notifications thereunder, as issued by the RBI from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the Foreign Investment Promotion Board ("FIPB") is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. At present, the Consolidated FDI Circular dated June 07, 2016 issued by the DIPP does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

### ***Greater Hyderabad Municipal Corporations Act, 1955***

The Greater Hyderabad Municipal Corporations Act, 1955 came into force on February 15, 1956 and extends to the city comprised by Greater Hyderabad Municipal Corporation. The Municipal Corporation has been assigned with the functions like facilitation in the collection of taxes and non-taxes; preparation of list of beneficiaries for beneficiary oriented schemes, pensions and subsidies; prepare an annual ward development plan in a manner consistent with the rules to be prescribed; preparation of inventory of municipal assets; assistance in the implementation of all government schemes; supervision and any other function as may be prescribed.

## **LAWS RELATING TO EMPLOYMENT**

### ***The Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965, provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

### ***The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EFPA”)***

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the Central Government to frame the "Employee's Provident Fund Scheme", "Employee's Deposit linked Insurance Scheme" and the "Employees' Family Pension Scheme" for the establishment of provident funds under the EFPA for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee.

### ***The Employees State Insurance Act, 1948 (“ESI Act”)***

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### ***The Payment of Gratuity Act, 1972***

The Payment of Gratuity Act, 1972 was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years:

- On his/her superannuation; or
- On his/her retirement or resignation; or
- On his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

### ***The Apprentices Act, 1961***

The Apprentices Act, 1961 (“**Apprentices Act**”) is an Act to provide regulation and control of training of persons who are undergoing course of training in any industry or establishment pursuant to a contract of apprenticeship. Further, the Apprenticeship Act states that for a person to be qualified as apprentice to undergo apprenticeship training, the person shall not be less than 14 years and not less than 18 years for designated traders related to hazardous industries and have to comply with standards of education and physical fitness as may be prescribed. No person can be engaged as an apprentice to undergo apprenticeship training unless that person has entered into a contract with the employer. The contract of apprenticeship has to be sent by the employer within 30 days to the Apprenticeship Adviser who registers the contract within 30 days from the date of the receipt.

### ***Maternity Benefit Act, 1961***

The Maternity Benefits Act, 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, inter alia, for paid leave of 26 weeks, payment of maternity benefits and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc. Under the new Maternity Benefit (Amendment) Act 2017 which came into effect from July 1, 2017, certain benefits are extended to adoptive mothers by entitling them to 12 weeks of maternity leave, from the date of adoption. The Maternity Benefit (Amendment) Act, 2017 has also introduced an enabling provision relating to "work from home" for women, which may be exercised after the expiry of the 26 weeks' leave period. Depending upon the nature of work, women employees may be able to avail this benefit on terms that are mutually agreed with the employer and further makes crèche facilities mandatory for every establishment employing 50 or more employees. Women employees would be permitted to visit the crèche 4 times during the day.

### ***The Equal Remuneration Act, 1976 and Equal Remuneration Rules, 1976***

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotion etc.

### ***The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWW Act)***

The SHWW Act provides for the protection of women and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee.

## **TAX RELATED LEGISLATIONS**

### **Finance Act, 2017**

The Finance Act, 2017 received the assent of the President on March 31, 2017 and came into force on April 1, 2017 to give effect to the financial proposals of the Central Government for the financial year 2017-2018. The Finance Act contains necessary amendments in the direct taxes (e.g. income tax and wealth tax) and indirect taxes (e.g. excise duties, custom duties and service tax) signifying the policy decisions of the Union Government for the year 2017-2018. The act states that Income-tax shall be charged at the rates specified in Part I of the First Schedule.

The following is an indicative list of tax laws applicable to the business and operations of the Company:

- Income Tax Act, 1961 and Income Tax Rules, 1962 ;
- The Customs Act, 1962;
- The Central Excise Act, 1944;
- Central Excise Tariff Act, 1985;
- Customs Tariff Act, 1975;
- Taxation Laws (Amendment) Act, 2017

### ***Goods and Services Tax***

The Constitution (One Hundred and First Amendment) Act, 2016 which received presidential assent on September 8, 2016 paved the way for introduction of Goods & Services Tax (“GST”) by making Special provision with respect to goods and services tax. The Act grants both parliament and state legislature’s concurrent powers to make laws with respect to goods and services tax (GST) and demarcation of Taxation powers between Centre & States. The Government of India has on or about November, 2016 issued the Model GST Law which consists of the draft for the Act. Accordingly the following GST acts have been enacted:

- Central Goods and Services Tax Act, 2017 (“CGST Act”)
- Integrated Goods and Services Tax Act, 2017 (“IGST Act”)
- Union Territory Goods and Services Tax Act, 2017 (“UTGST Act”), and
- Goods and Services Tax (Compensation to States) Act, 2017

The Goods and Services Tax shall be levied on all supplies of goods and/or services at the rate specified in the Schedules to the Acts and collected in such manner as may be prescribed under the Acts. It is a destination based consumption tax meaning that tax shall accrue to the State or the Union Territory where the consumption takes place. It is a dual system wherein the Centre and States/ union Territories shall simultaneously levy tax on a common tax base. GST shall be payable by every taxable person in accordance with the provisions of the acts. The Levy of Goods and Service Tax has commenced from July 1, 2017.

### ***Tax on profession, trade, callings and employment***

Every person engaged in profession, trade, callings and employment is liable to pay tax at the rate prescribed. It is considered necessary to levy tax on profession, trade callings and employment in order to augment state



revenues. Every state is empowered to make laws relating to levy of tax on profession, trade, callings and employment that shall serve as the governing provisions in that state.

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### ***The Trademarks Act, 1999 (“TM Act”)***

The TM Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years, and can be renewed in accordance with the specified procedure.

Application for trademark registry has to be made to Controller-General of Patents, Designs and TM Act who is the Registrar of Trademarks for the purposes of the TM Act. The TM Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

### ***Indian Copyright Act, 1957 (“Copyright Act”)***

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

### ***The Patents Act, 1970 (“Patent Act”)***

The purpose of the Patent Act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as “Cadsys (India) Private Limited” on July 23, 1992 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Telangana. Our Company was then converted into a public limited company and the name of our Company was changed to “Cadsys (India) Limited” pursuant to fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated June 8, 1995 issued by the Registrar of Companies, Telangana, Hyderabad. The corporate identity number of our Company is U72200AP1992PLC014558.

### Change in registered office of our Company

The registered office of our Company was originally situated at 116 – 117, Lingapur La’Builde Complex, Himayathnagar, Hyderabad – 5000 29, Telangana, India. Thereafter, the registered office of our Company was changed to the following address:

Date of Change	New address	Reason for Change
February 24, 2000	3 – 6 – 262, 2 <sup>nd</sup> Floor, Tirumala Estates, Himayat Nagar, Hyderabad, Telangana – 500029, India	Administrative convenience
May 26, 2008	3-5-900/1, IV <sup>th</sup> Floor, Aparajitha Arcade, Himayathnagar, Hyderabad, Telangana – 500029, India	Administrative convenience

### Major Events and Milestones

The table below sets forth some of the key events, milestones in our history since its incorporation.

Year	Events
2003	Our Company diversified into e – learning
2007	Expansion of our Company’s operations to Middle East for undertaking the design of airport terminal buildings
2009	Our Company incorporated a Subsidiary in US in the name of Cadsys Technology LLC Our Company acquired the business of M/s. Cogent Designers Certificate of appreciation for outstanding work in designing and preparation of web content for Hyderabad Traffic Police
2012	Expansion of our Company’s operations to Australia
2013	Amalgamation of Cogent Consulting Engineers (India) Private Limited merged with our Company Certified with 27001:2013 ISMS company from BSI, UK Award for Centurylink Engineering Work Order
2014	Award for Leading SMEs of India 2014 from Federal Bank Limited
2015	Certified with ISO 9001:2015 QMS company from BSI, UK
2016	Our Subsidiary, CAD Technologies Australia Pty Limited, was voluntarily deregistered from the Australian Securities and Investments Commission as a part of reorganisation SME Business Excellence Awards, 2016 from Dun and Bradstreet and RBL Bank Limited

### Amendments to the Memorandum of Association

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

Date of shareholder’s resolution	Nature of amendments
November 30, 1994	<i>Increase in the authorized share capital of the Company from ₹ 5,00,000 divided into 50,000 equity shares of ₹ 10 each to ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each</i>
November 20, 1995*	<i>Increase in the authorized share capital of the Company from ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each to ₹ 3,50,00,000 divided into 35,00,000 equity shares of ₹ 10 each</i>
March 29, 1995	<i>The name of our Company was changed from Cadsys (India) Private Limited to Cadsys (India) Limited pursuant to the conversion from private limited company to</i>

<b>Date of shareholder's resolution</b>	<b>Nature of amendments</b>
	<i>public limited company</i>
August 13, 2013*	<i>Increase in the authorized share capital of the Company from ₹ 3,50,00,000 divided into 35,00,000 equity shares of ₹ 10 each to ₹ 3,65,00,000 divided into 36,50,000 equity shares of ₹ 10 each</i>
November 11, 2016*	<i>Increase in the authorized share capital of the Company from ₹ 3,65,00,000 divided into 36,50,000 equity shares of ₹ 10 each to ₹ 8,50,00,000 divided into 85,00,000 equity shares of ₹ 10 each</i>

\* Pursuant to the order of the High Court of Andhra Pradesh for amalgamation of Cogent Consulting Engineers (India) Private Limited with our Company the authorised share capital of our Company was increased to ₹ 3,65,00,000 and subsequently form 21 was filed with the RoC on August 31, 2013. However, the same was not updated in the records of the RoC and on the portal of the Ministry of Corporate Affairs. Hence, due to non – updation of the authorised share capital to ₹ 3,65,00,000 pursuant to the amalgamation, subsequent form SH – 7 for increase in the authorised share capital to ₹ 8,50,00,000 was required to be filed from ₹ 3,50,00,000 instead of ₹ 3,65,00,000. Our Company vide a letter dated February 23, 2017 has informed the RoC regarding the rectification of the authorised share capital. However, as on date of this Prospectus, the same is pending. Further, we have been unable to trace corporate resolutions, and requisite forms filed with the RoC in relation to this increase. See “Risk Factors – “Some of our secretarial records are not traceable. Further there have been certain instances in the past wherein our Company has delayed in complying with reporting requirements to the RoC. Such instances in the future as well may require us to pay penalties” on page 14 of this Prospectus.

## **MAIN OBJECTS OF OUR COMPANY**

The main objects of our Company are as follows:

1. *“To manufacture either for its own use or for sale in India or for export outside India computer systems, computer peripherals and accessories, computer consumables like floppy disks / diskettes, hard disks, ribbons, continuous and on-continuous stationery etc., and such other products or things which many be considered either as an integral part of a computer system or as an optional attachment or supplement thereto;*
2. *To undertake the designing and development of systems and application software either for its own use or for sale in India or for export outside India and to design and develop such systems and application software for or on behalf of manufacturers, owners and users of computer systems and digital / electronic equipments in India or elsewhere in the world;*
3. *To set up and run electronic data processing centres and to carry on the business of data processing, word processing, software consultancy, system studies, management consultancy, techno-economic feasibility studies of projects, design and development of management information systems, share / debenture issues management and / or registration and share / debenture transfer agency;*
4. *To undertake and execute feasibility studies for computerisation, setting up of all kinds of computer systems and digital / electronic equipments and the selection, acquisition and installation thereof whether for the company or its customers or other users;*
5. *To conduct, sponsor or otherwise participate in training programmes, courses, seminars and conferences in respect of any object of the company and for spreading or imparting the knowledge and use of computers and computer programming languages including the publication of books, journals, bulletins, study / course materials, circulars and news-letters.”*

## **Total Number of Shareholders**

As on March 31, 2017, the total number of shareholders of our Company is 12 (twelve). For further details of our shareholding pattern, please see “*Capital Structure*” on page 53 of this Prospectus.

## **Other Details regarding our Company**

Details regarding the description of our Company’s activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, distributors and customers, segment, capacity/facility creation, capacity built-up, location of manufacturing facilities, marketing and competition, please refer to the chapters titled “*Our Business*”, “*Our Management*” and “*Management’s*

*Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 80, 104 and 171 respectively, of this Prospectus.

### **Injunction or Restraining Order**

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

### **Details regarding acquisition of business / undertakings, mergers, amalgamation**

Our Company has acquired the business of M/s. Cogent Designers *vide* an agreement for takeover of business dated September 21, 2009. For further details, please see the paragraph “*Material Agreements*” on page 97 of this Prospectus.

A scheme of amalgamation and arrangement was effected between Cogent Consulting Engineers (India) Private Limited (“**Transferor Company**”), our Company and the respective shareholders, under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 (the “**Scheme of Amalgamation**”), for the transfer of undertaking and vesting of the properties, assets and liabilities of the Transferor Company to our Company. The appointed date of the Scheme of Amalgamation was April 1, 2012 it was sanctioned by the High Court of Andhra Pradesh by its order dated August 13, 2013. The Scheme of Amalgamation came into effect on August 31, 2013, which was the date on which a certified copy of the order of the High Court of Andhra Pradesh sanctioning the Scheme of Amalgamation was filed with the Registrar of Companies, Andhra Pradesh at Hyderabad.

Except as stated herein, no business acquisition, merger and amalgamation has been made by our Company since incorporation.

### **Raising of capital in the form of equity or debt**

Other than as disclosed under the chapter titled “*Capital Structure*” on page 53 of this Prospectus, our Company has not raised any capital in the form of equity. For details on the debt facilities of our Company, please refer the chapter titled “*Financial Indebtedness*” on page 182 of this Prospectus.

### **Revaluation of assets**

Our Company has neither revalued its assets since incorporation nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

### **Time and Cost Overrun**

Our Company has not experienced any significant time and cost overrun.

### **Changes in the activities of our Company during the last five years**

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/ loss account of our Company including discontinuance of line of business, loss of markets and similar factors.

### **Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks**

There are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

### **Lock-out or Strikes**

There have been no lock-outs or strikes at any of the manufacturing units of our Company since inception.

### **Holding Company**

As on the date of this Prospectus, our Company does not have a holding company.

### **Guarantees provided by our Promoter**

Except as mentioned in chapter titled “*Financial Indebtedness*” on page 182 of the Prospectus, our Promoter has not given any guarantees to third parties in respect of our Company and the Equity Shares that are outstanding as of the date of filing of this Prospectus.

### **Strategic and Financial Partners**

As on date of this Prospectus our Company does not have any strategic and financial partners.

### **Material Agreements**

Except as stated below, our Company has not entered into any material contract, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by us or contract entered into more than two years before the filing of this Prospectus.

#### ***Agreement for takeover of business dated September 21, 2009 entered between M/s. Cogent Designers (“Cogent”) and our Company***

Our Company entered into an agreement dated September 21, 2009 to acquire the business of Cogent with effect from October 15, 2009. Pursuant to the agreement, our Company has purchased the business and goodwill thereof together with the assets, properties, actionable claims, full benefits of the subsisting policies of insurance and other goods and effect of Cogent.

Additionally, servers, computers, laptops, work station chairs, electrical equipments, UPS batteries, pedestal fans, printers, auto desk software licenses, oracle software licenses and symantec antivirus software licenses were also transferred to our Company. Our Company paid a consideration of ₹ 10 lacs for the sale.

#### ***Non – compete agreement dated July 29, 2017 entered into by our Company with I Powerfour Technologies Private Limited***

Our Company has entered into a non-compete agreement dated July 29, 2017 (“**Agreement**”) with I Powerfour Technologies Private Limited (“**I Power**”), since we both are engaged in the similar line of business. Pursuant to the said agreement, I Power has agreed to exclusively work with our Company on all e-learning content inquiries. Further, I Power has also agreed not to use or take any advantages derived from the geospatial information and related services in its own business. As per the terms of the Agreement, I Power shall not for a period of 2 years after termination of the Agreement, engage in any business related to e-learning content. The Agreement shall be in force for a period of 5 years.

#### ***Asset purchase agreement dated March 5, 2016 entered into by Apex Advanced Technology LLC with Apex CoVantage LLC***

One of our Subsidiaries, Apex Advanced Technology LLC, USA (“Apex Advance”) acquired the GIS business of Apex CoVantage LLC vide an Asset Purchase Agreement (“**Agreement**”), dated March 5th, 2016. The acquired assets include running contracts, existing MSAs, lead list, all employees in USA, all employees in India, right to use its logo and brand name, intellectual property rights of all the software, vendor registration into the supply chain of the customers, goodwill, intellectual property pertaining to all the processes and marketing material. Further, in terms of clause 14.06 of the Agreement neither party shall issue a press release announcing the Agreement or make any public statement with respect to the transaction without the prior consent of the other party, except to the extent required by law.

### **Shareholders and Other Agreements**

There are no other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us:

### **Subsidiaries of our Company**

As on the date of the Prospectus, our Company has the following Subsidiaries:

- i) Cadsys Technologies LLC USA (“**Cadsys Technologies**”);
- ii) Apex Engineers (India) Private Limited (“**Apex Engineers**”); and
- iii) Apex Advanced Technology LLC, USA (“**Apex Advance**”)

The details of our Subsidiaries are as follows:

### **1. Cadsys Technologies LLC USA (“Cadsys Technologies”)**

#### *Corporate Information*

Cadsys Technologies was incorporated as a Limited Liability Company under the laws of the State of Virginia pursuant to the certificate of incorporation dated May 28, 2009 issued by the State Corporation Commission, Commonwealth of Virginia. Its registration no. is 27-0223942 and the registered office is situated at 8808 Colesville Road, Silver Spring, Maryland, 20910.

Cadsys Technologies is currently engaged in the business of providing information technology services, ERP solutions, to design, implement, develop projects onsite and offshore.

#### *Shareholding Pattern*

The shareholding pattern of Cadsys Technologies as on the date of this Prospectus is as follows:

<b>Sr. No</b>	<b>Name of Shareholder</b>	<b>Number of Shares held</b>	<b>Percentage of total holding (%)</b>
1.	Our Company	61,800	95
2.	Ram Ganeshan	3,253	5
<b>TOTAL</b>		<b>65,053</b>	<b>100</b>

#### *Financial Performance*

Certain details of the audited financials for Fiscals 2017, 2016 and 2015 are set forth below:

<b>Particulars</b>	<b>For the financial year ended</b>		
	<b>March 31, 2017*</b>	<b>March 31, 2016**</b>	<b>March 31, 2015***</b>
Equity Capital	41.35	42.31	30.67
Reserves and Surplus	(72.33)	(4.48)	(0.48)
Total Sales	63.57	70.52	93.91
Profit/(Loss) after tax	(67.95)	(5.14)	53.80
Earnings per share – Basic (₹)	NA	NA	NA
Earnings per share – Diluted (₹)	NA	NA	NA
Net Asset Value per equity share (₹)	NA	NA	NA

\* Conversion rate from US\$ to INR as on March 31, 2017 is 64.83

\*\* Conversion rate from US\$ to INR as on March 31, 2016 is 66.33\*\*\* Conversion rate from US\$ to INR as on March 31, 2015 48.07

### **2. Apex Engineers (India) Private Limited (“Apex Engineers”)**

#### *Corporate Information*

Apex Engineers was incorporated on March 10, 2004 as “V-Enable Education Private Limited” vide Certificate of Incorporation issued by ROC, Andhra Pradesh. Thereafter the name of the company was changed to “V-Enable Internet Technologies Private Limited”, vide a fresh Certificate of Incorporation consequent upon change of name dated May 20, 2013 issued by the RoC, Hyderabad. Further, the name of V-Enable Internet Technologies Private Limited was changed again to “Apex Engineers (India) Private Limited” vide a certificate of incorporation consequent to change of name dated June 18, 2016 issued by the RoC at Hyderabad. Its CIN is U72200TG2004PTC042848 and the registered office is situated at 6-1-307/1, 2<sup>nd</sup> Floor Padmarao Nagar,

Secunderabad, Hyderabad, Telangana – 500025, India.

The main objects of Apex Engineers include, *inter alia*, to carry on, in India or abroad, as purchasers, sellers, designers, creators, agents, dealers, commissioners, manufacturers, traders, representatives, importers, exporters, or otherwise, the business of providing any and all services, including without limitation, electronic and computer hardware and software, data capturing, storage, electronic data processing, word processing, software consultancy, system studies, etc.

Apex Engineers is currently engaged in the business of providing software solutions.

### Capital Structure

The authorized and issued, subscribed and paid – up share capital is ₹ 1 lac divided into 10,000 equity shares of ₹10 each. The shareholding pattern of Apex Engineers as on the date of this Prospectus is as follows:

Name of Shareholder	Number of Shares held	% of holding
Our Company	8,000	80
Nallani Chakravarthi Venkata Rangacharya	1,000	10
Nallani Chakravarthi Padmaja	1,000	10
<b>TOTAL</b>	<b>10,000</b>	<b>1000</b>

### Financial Performance

Certain details of the audited financials for Fiscals 2017, 2016 and 2015 are set forth below:

Particulars	For the financial year ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity Capital	1.00	1.00	1.00
Reserves and Surplus	(78.52)	(62.90)	(62.90)
Total Sales	550.95	-	6.25
Profit/(Loss) after tax	(15.62)	(0.21)	0.82
Earnings per share – Basic (₹)	(156.25)	(2.12)	(8.24)
Earnings per share – Diluted (₹)	(156.25)	(2.12)	(8.24)
Net Asset Value per equity share (₹)	(77.52)	(61.90)	(61.90)

\*Apex Engineers was a group company of our Company prior to Fiscal 2017.

### 3. Apex Advance Technology LLC, USA (“Apex Advance”)

#### Corporate Information

Apex Advance was incorporated on January 29, 2016 as a Limited Liability Company under the laws of the State of Virginia, USA having its registered office at 198, Van Buren Street, Suite 200 Presidents Plaza, Herndon, Virginia 20170. Apex Advance is currently engaged in the business of GIS field engineering services.

#### Shareholding Pattern

The shareholding pattern of Apex Advance as on the date of this Prospectus is as follows:

Sr. No.	Name of Shareholder	Number of Shares held	Percentage of total holding (%)
1.	Our Company	19,00,000	100
	<b>TOTAL</b>	<b>19,00,000</b>	<b>100</b>

#### Financial Performance

Certain details of the audited financials for Fiscals 2017 are set forth below:

		(₹ in laes)
Particulars	For the financial year ended March 31, 2017*	
Equity Capital		1,231.77
Reserves and Surplus		849.25
Total Sales		2,651.10
Profit/(Loss) after tax		849.25
Earnings per share – Basic (₹)		NA
Earnings per share – Diluted (₹)		NA
Net Asset Value per equity share (₹)		NA

\* Conversion rate from US\$ to INR as on March 31, 2017 is 64.83

### Interest of the Subsidiaries in our Company

The Subsidiaries does not have any interest in our Company's business other than as stated in the chapters "Our Business" and "Financial Statements", on pages 80 and 121, respectively of this Prospectus.

### Amount of accumulated profit / (losses) not accounted for by our Company

There are no accumulated profits or losses of our Subsidiaries that are not accounted for by our Company.

### Public Issue and Rights Issue

Our Subsidiaries have neither made any public or right issue in the last three years nor has become sick company as specified under erstwhile SICA or declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further no winding up, insolvency or bankruptcy proceedings have been initiated against it.



## OUR MANAGEMENT

### Our Board of Directors

Our Articles of Association require us to have not less than three (3) and not more than fifteen (15) Directors. As on date of this Prospectus, we have 6 (six) Directors on our Board, which includes 2 (two) Whole – time Directors and 2 (two) Non-executive Directors and 2 (two) Independent Directors (including one woman Director).

Set forth below are details regarding our Board as on the date of this Prospectus:

Name, Designation, Address, Occupation, DIN, Term and Nationality	Age (years)	Other Directorship
<b>Nallani Chakravarthi Venkata Rangacharya</b>  <b>Designation:</b> Managing Director  <b>Occupation:</b> Business  <b>DIN:</b> 01231778  <b>Address:</b> 6 – 1 – 307/1, Padmarao Nagar Hyderabad – 500 025, Telangana, India  <b>Term:</b> For a period of 5 years with effect from April 1, 2015  <b>Nationality:</b> Indian	51	1. I Powerfour Technologies Private Limited; 2. Apex Engineers (India) Private Limited
<b>Nallani Chakravarthi Padmaja</b>  <b>Designation:</b> Whole – time Director and Chief Financial Officer  <b>Occupation:</b> Business  <b>DIN:</b> 01173673  <b>Address:</b> 402, 1 – 2 – 593/16, Legend Koundinya Apartments, Domalguda, Hyderabad – 500 029, Telangana, India  <b>Term:</b> For a period of 5 years with effect from April 1, 2015  <b>Nationality:</b> Indian	53	1. I Powerfour Technologies Private Limited; 2. Apex Engineers (India) Private Limited
<b>Nallani Chakravarthi Madhavi</b>  <b>Designation:</b> Non – executive Director  <b>Occupation:</b> Consultant  <b>DIN:</b> 01199595  <b>Address:</b> 8 – 3 – 167/K136/137/101, Noble court, Kalyan Nagar – 3, Near Bhargawi Nursing Home, Hyderabad – 500 018, Rangareddy, Telangana, India  <b>Term:</b> Liable to retire by rotation	47	Nil

<b>Name, Designation, Address, Occupation, DIN, Term and Nationality</b>	<b>Age (years)</b>	<b>Other Directorship</b>
<b>Nationality:</b> Indian		
<b>Sripadarajan Nagarajan</b>	52	Nil
<b>Designation:</b> Non – executive Director		
<b>Occupation:</b> Professional		
<b>DIN:</b> 05262644		
<b>Address:</b> 8 – 3 – 315/10, Maruthi Nagar, Yousufguda, Hyderabad 500 045, Telangana, India		
<b>Term:</b> Liable to retire by rotation		
<b>Nationality:</b> Indian		
<b>Nandachary Mudumbi</b>	61	1. Chemi Pack (India) Private Limited; 2. Symed Labs Limited; 3. Sri Chenna Kesava Bio Energy Private Limited; 4. Hetsym Estates and Realtors Private Limited
<b>Designation:</b> Independent Director		
<b>Occupation:</b> Professional		
<b>DIN:</b> 02714333		
<b>Address:</b> 8 – 5 – 222/B/26(401), Radha Krishna Residency, Mathura Nagar, B R Nagar, Hyderabad – 500038, Telangana, India		
<b>Term:</b> For a period of 5 years from April 1, 2017 i.e. upto March 31, 2022		
<b>Nationality:</b> Indian		
<b>Sai Sridhar Sangineni</b>	52	1. Tech vedika Software Private Limited; 2. Abda Digital Private Limited
<b>Designation:</b> Independent Director		
<b>Occupation:</b> Professional		
<b>DIN:</b> 03274134		
<b>Address:</b> Flat 903, Pegasus Block, Meenakshi Sky Lounge Apartments, Hitex road, Kondapur, Serilingampally, K.V. Rangareddy, Telangana – 500084, India		
<b>Term:</b> For a period of 5 years from April 1, 2017 i.e. upto March 31, 2022		
<b>Nationality:</b> Indian		

#### **Relationship between our Directors**

None of our Directors are related to each other except the following:

<b>Name of the Director</b>	<b>Relationship</b>
Nallani Chakravarthi Venkata Rangacharya	Brother of Nallani Chakravarthi Padmaja and Nallani Chakravarthi Madhavi
Nallani Chakravarthi Padmaja	Sister of Nallani Chakravarthi Venkata Rangacharya and Nallani Chakravarthi Madhavi
Nallani Chakravarthi Madhavi	Sister of Nallani Chakravarthi Venkata Rangacharya and Nallani Chakravarthi Padmaja

### **Brief Biographies of our Directors**

**Nallani Chakravarthi Venkata Rangacharya**, aged 51 years, is the Managing Director of our Company. He holds a Master's degree in Technology from Institute of Information Technology, Chennai. He is also a recipient of Bharti Entrepreneur of the year, National Award 2004. He is experienced in workflow design and process re-engineering and has been associated with our Company in the capacity of a Director since inception and is sphere heading the entire operations under the supervision of the Board.

**Nallani Chakravarthi Padmaja**, aged 53 years, is a Whole – time Director and Chief Financial Officer of our Company. She holds an advance Post Graduate Diploma in Management from Dr. B.R. Ambedkar Open University. Before joining our Company, she was a member of Hyderabad Stock Exchange and is registered with SEBI as a stock broker. She is experienced in finance and administration and has been associated with our Company in the capacity of a director since March 20, 1995.

**Nallani Chakravarthi Madhavi**, aged 47 years, is a Non – executive Director of our Company. She holds a Master's degree in Computer Application from Osmania University. She has been associated with our Company in the capacity of a director since March 20, 2005.

**Sripadarajan Nagarajan**, aged 52 years, is a Non – Executive Director of our Company. He holds a Bachelor's degree in Science from Osmania University and a Bachelor's degree of Technology in Engineering (Computer Science) from University of Hyderabad. He has been associated with our Company in the capacity of a director since April 30, 2012.

**Nandachary Mudumbi**, aged 61 years, is an Independent Director of our Company. He holds a Bachelor's degree in Technology from Osmania University. He has been associated with our Company in the capacity of a director since April 1, 2017.

**Sai Sridhar Sangineni**, aged 52 years, is an Independent Director of our Company. He holds a Bachelor's degree in Technology from Kakatiya University. He has been associated with our Company in the capacity of a director since April 1, 2017.

### **Confirmations**

None of our Directors is or was a director of any listed companies during the five years immediately preceding the date of filing of this Prospectus and until date, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such companies.

None of our Directors is or was a director on any listed companies which have been or were delisted from any stock exchange during the term of their directorship in such companies.

None of the Directors have been appointed pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

### **Borrowing Powers of our Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an EGM held on July 24, 2017, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, any sum or sums of money on such terms and conditions and with or without security as the board of directors may think fit which, together with the moneys already borrowed (apart from temporary loans obtained in the ordinary course of business), may exceed the aggregate of the paid – up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided

that the total amount of money/moneys borrowed by the board shall not exceed the limit of ₹ 800 Lacs.

### Terms of appointment and remuneration of our whole-time Directors

#### *Terms of Appointment of Nallani Chakravarthi Venkata Rangacharya*

Pursuant to a resolution passed by the Board of Directors at the meeting held on April 1, 2015 and by the shareholders of our Company at the EGM held on May 7, 2015, Nallani Chakravarthi Venkata Rangacharya was re-appointed as the Managing Director of our Company for a period of 5 years with effect from April 1, 2015 alongwith the terms of remuneration.

<b>Basic Salary</b>	₹ 5 lacs per month
<b>Commission</b>	Within the overall limits as prescribed in the provisions of section 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder. At the discretion of the Board, the payment of commission may be made on the pro-rata basis every month or on an annual basis or partly monthly and partly on annual basis
<b>Perquisites / Allowances</b>	<ul style="list-style-type: none"> <li>• <u>House Rent Allowance</u> – as per the rules of the Company;</li> <li>• <u>Medical Reimbursement</u> - expenses incurred for the appointee and his family subject to a ceiling for three month's salary in a year or fifteen month's salary over a period of 5 years</li> <li>• <u>Club fee</u> - fees and expenses at club subject to a maximum of two clubs. This will not include life membership fees</li> <li>• <u>Personal accident insurance</u> - as per the rules of the Company;</li> <li>• <u>Special allowance</u> – as may be decided by the board of directors on the recommendation</li> <li>• <u>Leave travel concession</u> – reimbursement of all expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave / holiday travel periods to any destination as per the rules specified by the Company.</li> <li>• <u>Children's education allowance</u> - in case the children studying in or outside India, an allowance limited to maximum of ₹ 12, 000 per month per child or actual expenses incurred, whichever is less. Such allowance is admissible upto maximum of 2 children;</li> <li>• <u>Employer contribution to provident fund / superannuation fund</u> - as per the rules of the Company;</li> <li>• <u>Gratuity</u> - gratuity payable shall be at the rate not exceeding half month salary for each completed year of service;</li> <li>• <u>Encashment of leave</u> – at the end of the tenure; and</li> <li>• <u>Overall remuneration</u> – the aggregate of salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder</li> </ul>

#### *Terms of Appointment of Nallani Chakravarthi Padmaja*

Pursuant to a resolution passed by the Board of Directors at the meeting held on April 1, 2015 and by the shareholders of our Company at the EGM held on May 7, 2015, Nallani Chakravarthi Padmaja was re-appointed as a Whole – time Director of our Company for a period of 5 years with effect from April 1, 2015 alongwith the terms of remuneration.

<b>Basic Salary</b>	₹ 3 lacs per month
<b>Commission</b>	Within the overall limits as prescribed in the provisions of section 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder. At the discretion of the Board, the payment of commission may be made on the pro-rata basis every month or on an annual basis or partly monthly and partly on annual basis
<b>Perquisites / Allowances</b>	<ul style="list-style-type: none"> <li>• <u>House Rent Allowance</u> – as per the rules of the Company;</li> <li>• <u>Medical Reimbursement</u> - expenses incurred for the appointee and his family subject to a ceiling for three month's salary in a year or fifteen month's salary over a period of 5 years</li> <li>• <u>Club fee</u> - fees and expenses at club subject to a maximum of two clubs. This will not include life membership fees</li> <li>• <u>Personal accident insurance</u> - as per the rules of the Company;</li> </ul>

- Special allowance – as may be decided by the board of directors on the recommendation
- Leave travel concession – reimbursement of all expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave / holiday travel periods to any destination as per the rules specified by the Company.
- Children's education allowance - in case the children studying in or outside India, an allowance limited to maximum of ₹ 12, 000 per month per child or actual expenses incurred, whichever is less. Such allowance is admissible upto maximum of 2 children;
- Employer contribution to provident fund / superannuation fund - as per the rules of the Company;
- Gratuity - gratuity payable shall be at the rate not exceeding half month salary for each completed year of service;
- Encashment of leave – at the end of the tenure; and
- Overall remuneration – the aggregate of salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder

### Sitting Fees

As on the date of this Prospectus, our Company is not paying any sitting fees to our Non-executive and Independent Directors for attending the meeting of our Board of Directors and the committees of our Board.

The remuneration paid to our Whole – time Directors in Fiscal 2017 is as follows:

(₹ in Lacs)		
Sr. No.	Name of Director	Remuneration
1.	Nallani Chakravarthi Venkata Rangacharya	60.00
2.	Nallani Chakravarthi Padmaja	36.00

### Payment or benefit to Directors of our Company

Except as disclosed in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Whole – time Directors except the normal remuneration for services rendered as a Director of our Company.

### Compensation paid to our Directors by our Subsidiaries

Except for the remuneration received by our Managing Director from Apex Advanced Technologies LLC, no remuneration is payable or was paid to the Directors of our Company by our Subsidiaries in the Fiscal 2017.

### Service Contracts entered into with the Directors

Our Company has not entered into any service contracts, pursuant to which, the Directors are entitled to benefits upon termination of employment.

### Loans to Directors

There are no loans that have been availed by the Directors from our Company that are outstanding as of the date of this Prospectus.

### Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock exchange.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

### **Committees of our Board**

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee;
- c) Nomination and Remuneration Committee;
- d) Corporate and Social Responsibility Committee; and
- e) IPO Committee.

Details of each of these committees are as follows:

#### **a. Audit Committee**

Our Audit Committee was constituted pursuant to resolution of our Board dated April 30, 2017. The Audit Committee comprises of the following:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1.	Nandachary Mudumbi	Chairman
2.	Sai Sridhar Sangineni	Member
3.	Nallani Chakravarthi Venkata Rangacharya	Member

The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

#### **A. Powers of Audit Committee**

The Audit Committee shall have the following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

#### **B. Role of the Audit Committee**

The role of the audit committee shall include the following:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Further, the Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times in a year, and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be two members present, or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

#### ***b. Stakeholders' Relationship Committee***

Our Stakeholders' Relationship Committee was constituted pursuant to resolution of our Board dated April 30, 2017. The Stakeholders' Relationship Committee comprises of the following:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1.	Nallani Chakravarthi Madhavi	Chairman
2.	Nallani Chakravarthi Padmaja	Member
3.	Nallani Chakravarthi Venkata Rangacharya	Member

The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and approved by our Board pursuant to its resolution dated April 30, 2017. The terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

- To look into the redressal of grievances of shareholders, debenture holders and other security holders;
- To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares;
- To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- To carry out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time.

The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

**c. Nomination and Remuneration Committee**

Our Nomination and Remuneration Committee was constituted pursuant to resolution of our Board dated April 30, 2017. The Nomination and Remuneration Committee comprises of the following:

Sr. No.	Name of Member	Designation
1.	Sai Sridhar Sangineni	Chairman
2.	Nandachary Mudumbi	Member
3.	Sripadarajan Nagarajan	Member

The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and approved by our Board pursuant to its resolution dated April 30, 2017. Set forth below are the terms of reference, powers and role of our Nomination and Remuneration Committee:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;
2. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
6. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

**d. Corporate Social Responsibility Committee**

Our Corporate Social Responsibility and Sustainability Committee was constituted on February 01, 2017 and re-constituted on April 30, 2017 and the members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1.	Nallani Chakravarthi Venkata Rangacharya	Chairman
2.	Nallani Chakravarthi Padmaja	Member



3.	Sai Shidhar Sangneni	Member
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Our Company Secretary, Babladi Shailaja is the Secretary of the Corporate Social Responsibility Committee.

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
3. To monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### ***e. IPO Committee***

The IPO Committee was constituted pursuant to resolution of our Board dated July 03, 2017 passed by the Directors of our Company. The IPO Committee is authorized to, among other things, approve implement, negotiate, carry out and decide upon all activities in connection with the Issue, approve amendments to the Memorandum and Articles of Association, approve dematerialization of Equity Shares, finalize and arrange for submission of Prospectus, and the Prospectus, seek listing of the Equity Shares and submit applications and documents to relevant statutory and other authorities from time to time. The members of the said Committee are as follows

Sr. No.	Name of Member	Designation
1.	Nallani Chakravarthi Venkata Rangacharya	Chairman
2.	Nallani Chakravarthi Padmaja	Member

The Company Secretary shall act as the secretary of the IPO Committee.

#### **Shareholding of Directors in our Company**

Except as stated below, none of our other Directors hold any Equity Shares of our Company as on the date of filing of this Prospectus:

Name of Director	Number of Equity Shares	Percentage (in %)
Nallani Chakravarthi Venkata Rangacharya	18,90,875	35.00
Nallani Chakravarthi Padmaja	12,96,600	24.00
Nallani Chakravarthi Madhavi	46,000	0.85

#### **Shareholding of Directors in our Subsidiaries**

Except as stated below, none of our other Directors hold any Equity Shares of any of our Subsidiaries as on the date of filing of this Prospectus:

Name of Subsidiary	Name of Director	Number of Equity Shares	Percentage (in %)
Apex Engineers (India) Private Limited	Nallani Chakravarthi Venkata Rangacharya	1,000	10
	Nallani Chakravarthi Padmaja	1,000	10

#### **Interest of our Directors**

Our Whole – time Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see “*Terms of appointment and remuneration of our whole-time Directors*” above.

Our Directors have no interest in the promotion of our Company other than in the ordinary course of business. Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”.

All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoter, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoter, directors, partners, proprietors, members or trustees, pursuant to this Issue.

Except as stated in the chapter titled “*Related Party Transactions*” on page 121 of this Prospectus, our Directors do not have any other interest in the business of our Company.

### Interest as to property

Our Directors confirm that they have no interest in any property acquired by our Company during the last two years from the date of filing of this Prospectus or any property proposed to be purchased by our Company.

### Bonus or Profit Sharing Plan for our Directors

None of our Directors are a party to any bonus or profit sharing plan.

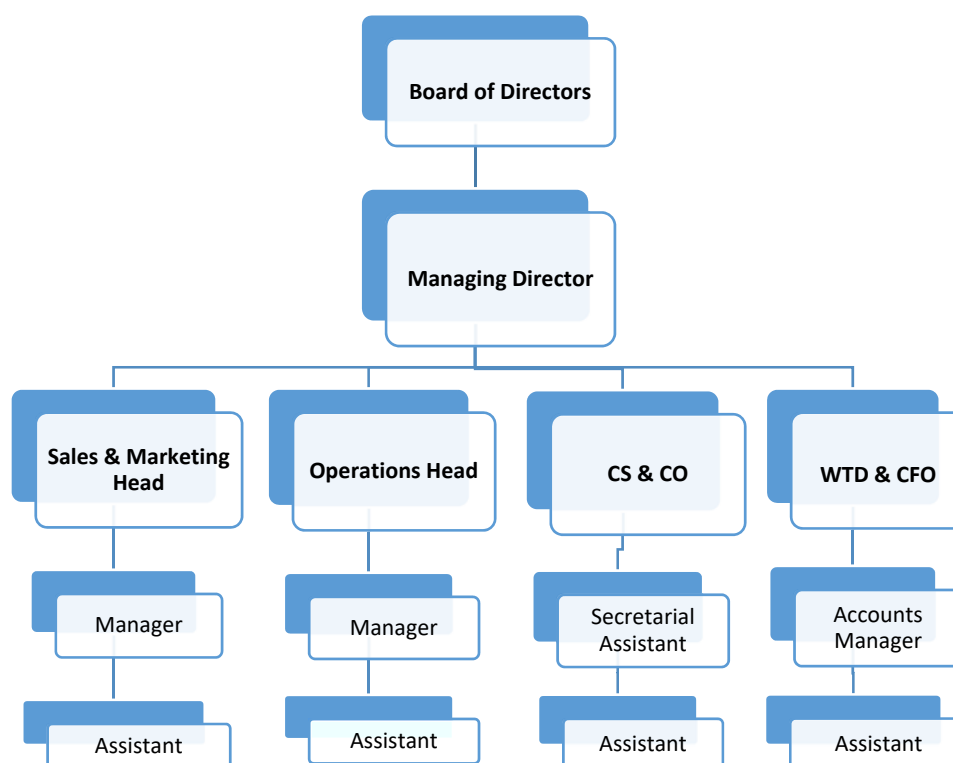
### Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years.

Name of Director	Date of Appointment	Date of Cessation	Reason
Nandachary Mudumbi	April 1, 2017	-	Appointment as an Independent Director
Sai Sridhar Sangineni	April 1, 2017	-	Appointment as an Independent Director
Chandra Sekhar	-	April 1, 2017	Cessation as a Non – Executive Director

### Management Organization Structure

Set forth is the organization structure of our Company:



## Our Key Managerial Personnel

In addition to our Whole – time Directors, whose details have been provided under paragraph above titled ‘*Brief Profile of our Directors*’, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Prospectus:

**Babladi Shailaja**, aged 26 years, is the Company Secretary and Compliance Officer of our Company. She holds a Bachelor’s degree and a Master’s degree in law from Osmania University and University College London respectively. She is a member of the Institute of Company Secretaries of India. She joined our Company as a Company Secretary on July 3, 2017 and is currently responsible for handling secretarial matters in our Company. She has not received any remuneration in Fiscal 2017.

All our Key Managerial Personnel are permanent employees of our Company.

## Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel

Except as disclosed under the heading “*Relationship between our Directors*” and herein below, none of the key managerial personnel are related to each other or to our Promoter or to any of our Directors.

Name of the Key Managerial Personnel	Relationship
Babladi Shailaja	Daughter of Nallani Chakravarthi Padmaja
	Niece of Nallani Chakravarthi Venkata Rangacharya and Nallani Chakravarthi Madhavi

## Shareholding of the Key Managerial Personnel

In addition to the shareholding of our Whole – time Directors disclosed under the head “*Shareholding of Directors of our Company*”, our Key Managerial Personnel holds the following equity shares of our Company as on date of this Prospectus:

Name	Number of Equity Shares held	Percentage of shareholding
Babladi Shailaja	15,02,400	27.81%

## Bonus or Profit Sharing Plan for our Key Managerial Personnel

None of our Key Managerial Personnel are a party to any bonus or profit sharing plan.

## Interest of Key Managerial Personnel

None of our Key Managerial Personnel’s have any interest in our Company or Subsidiaries other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

## Changes in Key Managerial Personnel in the Last Three Years

Set forth below are the changes in our Key Managerial Personnel in the last three years immediately preceding the date of filing of this Prospectus:

Name	Designation	Date of change	Reason
Babladi Shailaja	Company Secretary and Compliance Officer	July 3, 2017	Appointment
Nallani Chakravathi Padmaja	Chief Financial Officer	July 3, 2017	Appointment

## Employees’ Stock Option Plan

As on date of this Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

**Payment or Benefit to officers of our Company**

Except as stated otherwise in this Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made regularly by our Company towards provident fund, gratuity fund and employee state insurance.

**Loans taken by Directors / Key Management Personnel**

Our Company has not granted any loans to the Directors and/or Key Management Personnel as on the date of this Prospectus.

**Arrangements and Understanding with Major Shareholders**


None of our Key Managerial Personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

## OUR PROMOTER AND PROMOTER GROUP

### A. OUR PROMOTER

Our Promoter is Nallani Chakravarthi Venkata Rangacharya who currently holds 18,90,875 Equity Shares, constituting 35.00% of our pre – Issue issued, subscribed and paid-up equity share capital of our Company.

#### Details of our Promoter

	<p><b>NALLANI CHAKRAVARTHI VENKATA RANGACHARYA</b></p> <p>Nallani Chakravarthi Venkata Rangacharya, aged 51 years, is the Managing Director of our Company.</p> <p><b>Driving license number:</b> TS00919900008276</p> <p><b>Voter identification number.:</b> AP312090027574</p> <p><b>Address:</b> 6 – 1 – 307/1, Padmarao Nagar Hyderabad – 500 025, Telangana, India</p> <p>For further details of his experience, positions / posts held in the past and other directorships and special achievements, see the chapter “<i>Our Management</i>” on page 104 of this Prospectus.</p>
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Our Company confirms that the permanent account number, bank account number and passport number of our Promoter shall be submitted to the Stock exchange at the time of filing this Prospectus.

#### Interest of our Promoter

##### *Interest in promotion of our Company*

Our Promoter is interested in our Company to the extent of the shareholding in our Company and any dividend or other distribution payable, if any, by our Company. For further details of our Promoter’s shareholding, please see chapter titled ‘*Capital Structure*’ on page 53 of the Prospectus. Additionally, Nallani Chakravarthi Venkata Rangacharya is also interested in our Company as our Managing Director and any remuneration payable to him in such capacity. For further details, please see chapter titled ‘*Our Management*’ on page 104 of the Prospectus.

##### *Interest in the properties of our Company*

Our Promoter does not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of the Prospectus. Further, no property is acquired by our Company from our Promoter in the last two Fiscals, as on the date of this Prospectus.

##### *Interest as members of our Company*

Our Promoter is interested to the extent of their shareholding, the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, see the chapter titled “*Capital Structure*” on page 53 of this Prospectus.

#### Other Interest

Our Promoter is not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Further, Nallani Chakravarthi Venkata Rangacharya is also director on the board and member of the Promoter Group entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to this Promoter Group entity.

### Payment of benefits to our Promoter and Promoter Group during the last two years

Other than the benefits mentioned in the related party transactions as per AS-18 there has been no payment of any amount of benefits to our Promoter or the members of our Promoter Group during the last two years from the date of this Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter group as on the date of this Prospectus. For further details, please refer to the chapter titled “*Related Party Transactions*” on page 121 of this Prospectus.

### Change in Management and control of our Company

There has been no change in management and control of our Company.

### Details of Companies / Firms from which our Promoter have disassociated in the last three years

Our Promoter has not disassociated himself from any company or firm during the last three years preceding this Prospectus.

### Related Party Transactions

Our Promoter is also director on the boards, or is a member, or a partner, of Promoter Group entity and may be deemed to be interested to the extent of the payments made by our Company, if any, to the Promoter Group entity. For details of related party transactions entered into by our Company, chapter titled “*Related Party Transactions*” on page 121 of this Prospectus.

Also, except as disclosed in the chapter titled “*Related Party Transactions*” on page 121 of this Prospectus, our Promoter is not related to any of the sundry debtors of our Company.

## B. OUR PROMOTER GROUP

In addition to our Promoter, the following individuals, companies, partnerships and HUFs form part of our Promoter Group in terms of SEBI ICDR Regulation 2(1) (zb) of the SEBI (ICDR) Regulations:

#### *Individuals forming part of the Promoter Group:*

Sr. No.	Name of the member of Promoter Group	Relationship with the Promoter
1.	Late Nallani Chakravarthi Lakshminarayan Acharya	Father
2.	Dr. Nallani Chakravarthi Pushpavathi	Mother
3.	Dr. Sattaluri Sita Jayalakshmi	Spouse
4.	Nallani Chakravarthi Ranga Mani	Sister
5.	Nallani Chakravarthi Padmaja	Sister
6.	Nallani Chakravarthi Madhavi	Sister
7.	Nallani Chakravarthi Sai Sirisha	Children
8.	Late Sattaluri Venkata Chari	Souse’s father
9.	Sattaluri Kanakavalli	Spouse’s mother
10.	Sattaluri Rajgopal	Spouse’s brother
11.	Sattaluri Rajyalakshmi	Spouse’s sister
12.	Sattaluri Radha	Spouse’s sister

#### *Company forming part of the Promoter Group:*

Except as stated below, no other company, firm or HUF are forming part of the promoter group:

Sr. No.	Name of the entity
1.	I Powerfour Technologies Private Limited*
2.	Apex Engineers (India) Private Limited

*\*Since I Powerfour Technologies (Private) Limited is in the similar line of business as that of our Company, it has entered into a non – compete agreement dated July 29, 2017 with our Company to avoid conflict of interest. For further details, please refer to the chapter “History and Certain Corporate Matters – Material Agreements” on page 97 of this Prospectus.*

**Other Confirmations**

None of our Promoter, Promoter Group (immediate relatives of our Promoter as defined under sub-clause (zb. ii) sub-regulation (1) Regulation 2 of the SEBI (ICDR) Regulations) and Group Entities have been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Further, none of our Promoter or members of our Promoter Group or any company of which they are promoter, directors or persons in control have been debarred, or restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

## **OUR GROUP ENTITIES**

In terms of the SEBI (ICDR) Regulations and in terms of the policy of materiality defined by our Board pursuant to the resolution passed on July 3, 2017 our Company has considered (i) companies included in the list of related parties prepared in accordance with Accounting Standard 18 in our Restated Financial Information; and (ii) other companies which are considered material by our Board.

A company has been considered material by the Board, if such company fall under accounting standard 18 issued by the Institute of Chartered Accountants of India in our Restated Financial Information and the Promoter Group entered into a transaction with our Company, individually or cumulative exceeds 10% of the total revenue of our Company;

Based on the above, there are no group companies of our Company. For avoidance of doubt, it is clarified that the Subsidiaries of our Company shall not be considered as 'group company'.



## DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the shareholders of our Company, in their discretion, subject to the Articles of Association and the Companies Act and will depend on a number of factors, including but not limited to our Company's earnings, general financial condition, capital requirements, overall financial position and other factors considered relevant by the Board of Directors. The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of our Company. In addition, our Company's ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company may enter into to finance fund requirements for its business activities.

The dividends declared by our Company in the last five fiscals as per the audited restated financial information are as given below:

Particulars	Fiscal 2017*	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
Face value per share (₹)	10	10	10	10	10
Dividend (₹ lacs)	54.02	21.61	108.05	108.05	-
Dividend (in ₹ per share)	1.00	2.00	10.00	10.00	-
Dividend tax (₹ lacs)	11.00	4.40	21.99	18.36	-
Equity Share Capital (lacs)	540.25	108.05	108.05	108.05	108.05
Rate of dividend (%)	10	20	100	100	-

*\*Proposed to be paid*

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. Our Company does not have a formal dividend policy.

## **SECTION VI: FINANCIAL INFORMATION**

### **FINANCIAL STATEMENTS**

1. Report of the Auditors on the Restated Standalone Financial Information of our Company as at and for each of the years ended at March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017.
2. Report of the Auditors on the Restated Consolidated Financial Information of our Company as at and for each of the years ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017; and

## AUDITORS REPORT ON RESTATED FINANCIAL STATEMENTS

### Independent Auditors Report for the Standalone Restated Financial Statements of Cadsys (India) Ltd

**The Board of Directors  
Cadsys (India) Ltd  
3-5-900/1,4<sup>th</sup> Floor,  
Aparajitha Arcade,  
Himayath Nagar,  
Hyderabad-500029**

Dear Sirs,

1. We have examined the attached Standalone Restated Summary Statement of Assets and Liabilities of **Cadsys (India) Ltd.**, (hereinafter referred to as “**the Company**”) as at March 31, 2017, March 31, 2016, 2015, 2014 and 2013, Standalone Restated Summary Statement of Profit and Loss and Standalone Restated Summary Statement of Cash Flow for the period / financial year ended on March 31, 2017, March 31, 2016, 2015, 2014 and 2013 (collectively referred to as the “**Standalone Restated Summary Statements**” or “**Standalone Restated Financial Statements**”) annexed to this report and initialed by us for identification purposes. These Standalone Restated Financial Statements have been prepared by the management of the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on SME Platform of NSE Limited (“**NSE Emerge**”).
2. These Standalone Restated Summary Statements have been prepared in accordance with the requirements of:
  - a) Part I of Chapter III to the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
3. We have examined such Standalone Restated Financial Statements taking into consideration:
  - a) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of NSE Limited (“**IPO**” or “**SME IPO**”); and
  - b) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
4. The Standalone Restated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the year ended on March 31, 2017, March 31, 2016, 2015, 2014 and 2013 which have been approved by the Board of Directors.
5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The “**Standalone Restated Statement of Asset and Liabilities**” of the Company as at March 31, 2017, March 31, 2016, 2015, 2014 and 2013, examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to the Standalone Restated Summary Statements to this Report.
  - (ii) The “**Standalone Restated Statement of Profit and Loss**” of the Company for the period / financial year ended on March 31, 2017, March 31, 2016, 2015, 2014 and 2013, examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such

adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to the Standalone Restated Summary Statements to this Report.

(iii) The “**Standalone Restated Statement of Cash Flow**” of the Company for the period / financial year ended on March 31, 2017, March 31, 2016, 2015, 2014 and 2013, examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to Standalone Restated Summary Statements to this Report.

1. Based on our examination, we are of the opinion that the Standalone Restated Financial Statements have been prepared:
  - a) Using consistent accounting policies for all the reporting periods.
  - b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate.
  - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - d) There are no audit qualifications in the Audit Reports issued by us (The Statutory Auditors) for the period / financial year ended on March 31, 2017, March 31, 2016, 2015, 2014 and 2013 which would require adjustments in this Standalone Restated Financial Statements of the Company.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period / financial year ended on March 31, 2017, March 31, 2016, 2015, 2014 and 2013 proposed to be included in the Draft Prospectus / Prospectus (“**Offer Document**”).

**Annexure of Standalone Restated Financial Statements of the Company:-**

1. Summary Statement of Assets and Liabilities, as Standalone Restated as appearing in ANNEXURE I;
2. Summary Statement of Profit and Loss, as Standalone Restated as appearing in ANNEXURE II;
3. Summary Statement of Cash Flow as Standalone Restated as appearing in ANNEXURE III;
4. Significant Accounting Policies as Standalone Restated as appearing in ANNEXURE IV;
5. Details of Share Capital as Standalone Restated as appearing in ANNEXURE V to this report;
6. Details of Reserves and Surplus as Standalone Restated as appearing in ANNEXURE VI to this report;
7. Details of Long Term Borrowings as Standalone Restated as appearing in ANNEXURE VII to this report;
8. Details of Deferred Tax Asset/Liability as Standalone Restated as per ANNEXURE VIII to this report;
9. Details of Long Term Provisions as Standalone Restated as appearing in ANNEXURE IX to this report;
10. Details of Short Term Borrowings as Standalone Restated as appearing in ANNEXURE X to this report;
11. Details of Trade Payables as Standalone Restated as appearing in ANNEXURE XI to this report;
12. Details of Other Current Liabilities as Standalone Restated as appearing in ANNEXURE XII to this report;
13. Details of Short Term Provisions as Standalone Restated as appearing in ANNEXURE XIII to this report;
14. Details of Fixed Assets as Standalone Restated as appearing in ANNEXURE XIV to this report;
15. Details of Non Current Investments as Standalone Restated as appearing in ANNEXURE XV to this report;

16. Details of Long Term Loans & Advances as Standalone Restated as appearing in ANNEXURE XVI to this report;
17. Details of Current Investments as Standalone Restated as appearing in ANNEXURE XVII to this report;
18. Details of Inventories as Standalone Restated as appearing in ANNEXURE XVIII to this report;
19. Details of Trade Receivables as Standalone Restated as appearing in ANNEXURE XIX to this report;
20. Details of Cash & Cash Equivalents as Standalone Restated as appearing in ANNEXURE XX to this report;
21. Details of Short Term Loans & Advances as Standalone Restated as appearing in ANNEXURE XXI to this report;
22. Details of Revenue from Operations as Standalone Restated as appearing in ANNEXURE XXII to this report;
23. Details of Other Income as Standalone Restated as appearing in ANNEXURE XXIII to this report;
24. Details of Related Party Transactions as Standalone Restated as appearing in ANNEXURE XXIV to this report;
25. Summary of Significant Accounting Ratios as Standalone Restated as appearing in ANNEXURE XXV to this report;
26. Capitalisation Statement as at December 31, 2015 as Standalone Restated as appearing in ANNEXURE XXVI to this report;
27. Statement of Tax Shelters as Standalone Restated as appearing in ANNEXURE XXVII to this report;
28. Details of Contingent Liabilities as Standalone Restated as appearing in ANNEXURE XXVIII to this report;

**SCHEDULE 1** The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

**SCHEDULE 2** We have no responsibility to update our report for events and circumstances occurring after the date of the report.

**SCHEDULE 3** In our opinion, the above financial information contained in Annexure I to XXVII of this report read with the respective Significant Accounting Policies and Notes to Standalone Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.

**SCHEDULE 4** Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For G.Krishna Murthy & Co**  
**Chartered Accountants**  
**Firm Registration no. 006542S**

Sd/-  
**CA J.Madhava Rao**  
**Partner**  
**Membership No. 201205**  
**Hyderabad**  
**Date: 3<sup>rd</sup> August, 2017**

**ANNEXURE – I**  
**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(₹ in lacs)

Sr. No.	Particulars	As at March 31,				
		2017	2016	2015	2014	2013
EQUITY AND LIABILITIES						
1)	<u>Shareholders Funds</u>					
	a. Share Capital	540.25	108.05	108.05	108.05	108.05
	b. Reserves & Surplus	1,572.63	1,736.83	1,203.27	834.92	646.55
2)	Share Application Money Pending Allotment	-	-	-	-	-
3)	<u>Non Current Liabilities</u>					
	a. Long Term Borrowings	1,166.74	157.73	296.49	106.83	68.30
	b. Deferred Tax Liabilities	(22.23)	32.59	28.20	0.68	0.76
	c. Other Long Term Liabilities	131.91	2.32	0.17	120.20	10.00
	c. Long Term Provisions	36.23	27.22	27.22	32.25	-
4)	<u>Current Liabilities</u>					
	a. Short Term Borrowings	62.37	209.95	42.24	47.02	291.94
	b. Trade Payables	339.15	5.52	23.70	62.60	21.69
	c. Other Current Liabilities	367.10	428.80	371.93	206.52	76.73
	d. Short Term Provisions	(0.07)	78.85	194.76	149.45	89.93
T O T A L		4,194.08	2,787.87	2,296.04	1,668.51	1,313.95
ASSETS						
1)	<u>Non Current Assets</u>					
	a. Fixed Assets	-	-	-	-	-
	i. Tangible Assets	1,304.96	1,294.89	1,121.32	1,101.61	941.60
	Less: Accumulated Depreciation	1,065.46	818.36	737.43	745.28	623.10
	ii. Intangible Assets	-	0.71	12.18	29.63	12.95
	iii. Intangible Assets under development	-	-	-	-	-
	iv. Capital Work in Progress	-	-	-	-	-
	<i>Net Block</i>	239.50	477.23	396.06	385.96	331.44
	b. Deferred Tax Assets (Net)	-	-	-	-	-
	c. Non-current Investments	1,372.67	101.62	80.69	10.74	-
	d. Long Term Loans & Advances	189.23	284.48	215.71	273.53	245.22
	d. Other Non Current Assets	-	-	-	-	-
2)	<u>Current Assets</u>					
	a. Current Investment	-	-	-	-	-
	b. Inventories	-	-	-	-	-

Sr. No.	Particulars	As at March 31,				
		2017	2016	2015	2014	2013
	c. Trade Receivables	686.42	274.90	226.65	28.05	180.05
	d. Cash and Cash Equivalents	1,408.57	1,576.55	1,312.70	901.13	471.07
	e. Short Term Loans & Advances	15.34	5.73	10.85	59.98	7.76
	f. Other Current Assets	282.36	67.35	53.38	9.12	78.40
	<b>TOTAL</b>	<b>4,194.08</b>	<b>2,787.87</b>	<b>2,296.04</b>	<b>1,668.51</b>	<b>1,313.95</b>

**ANNEXURE – II**  
**STATEMENT OF PROFIT AND LOSS, AS RESTATED**

(₹ in lacs)

Sr. No.	Particulars	As at March 31,				
		2017	2016	2015	2014	2013
<b>A</b>	<b>INCOME</b>					
	Revenue from Operations	2,730.47	2,916.51	2,228.66	1,920.27	1,367.60
	Other Income	102.99	238.19	86.58	110.34	71.77
	<b>Total Income (A)</b>	<b>2,833.46</b>	<b>3,154.71</b>	<b>2,315.24</b>	<b>2,030.61</b>	<b>1,439.38</b>
<b>B</b>	<b>EXPENDITURE</b>					
	Cost of Material Consumed	-	-	-	-	-
	Purchase of Stock in Trade	-	-	-	-	-
	Changes in inventories of finished goods, traded goods and work-in-progress	-	-	-	-	-
	Employee benefit expenses	1,137.73	1,595.64	1,104.58	1,074.73	549.50
	Finance costs	128.53	88.12	61.34	34.26	16.95
	Depreciation and amortization expense	247.88	102.18	80.69	146.29	144.75
	Other Expenses	925.07	550.42	366.68	349.94	480.84
	<b>Total Expenses (B)</b>	<b>2,439.23</b>	<b>2,336.36</b>	<b>1,613.29</b>	<b>1,605.22</b>	<b>1,192.04</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax</b>	<b>394.23</b>	<b>818.35</b>	<b>701.95</b>	<b>425.39</b>	<b>247.34</b>
	Exceptional items	-	-	-	-	-
<b>D</b>	<b>Profit before extraordinary items and tax</b>	<b>394.23</b>	<b>818.35</b>	<b>701.95</b>	<b>425.39</b>	<b>247.34</b>
	Extraordinary Expenses (CSR)					
<b>F</b>	<b>Profit before tax</b>	<b>394.23</b>	<b>818.35</b>	<b>701.95</b>	<b>425.39</b>	<b>247.34</b>
	<i>Tax expense:</i>					
	(i) Current tax	181.05	254.39	231.37	111.49	(54.54)
	(ii) Mat Credit	-	-	-	-	49.49
	(iii) Deferred tax Expense / (Income)	(54.82)	4.39	27.51	(0.08)	(13.50)
	(iv) Short/(Excess) provision of earlier years	-	-	1.72	(0.81)	-

Sr. No.	Particulars	As at March 31,				
		2017	2016	2015	2014	2013
<b>G</b>	<b>Total Tax Expense</b>	126.23	258.78	260.60	110.61	18.55
		-	-	-	-	-
<b>H</b>	<b>Profit for the year (D-E)</b>	<b>268.00</b>	<b>559.57</b>	<b>441.34</b>	<b>314.78</b>	<b>228.79</b>
	<b>ACTUAL</b>					
	<b>Earning per equity share (face value of ₹ 10/- each): Basic and Diluted (₹)</b>	4.96	51.79	40.85	29.13	21.17
	<b>Adjusted Earning per equity share(face value of ₹ 10/- each): Basic and Diluted (₹)</b>	-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	<b>Change in Profit due to Restatement</b>	268.00	559.57	441.34	314.78	228.79

### ANNEXURE – III

#### STATEMENT OF CASH FLOW, AS RESTATED

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Profit Before Tax</b>	<b>394.23</b>	<b>818.35</b>	<b>701.95</b>	<b>425.39</b>	<b>247.34</b>
<b>Adjustments For:</b>					
Depreciation and Amortization Expense	247.88	102.18	80.69	146.29	144.75
Loss/ (profit) on sale of fixed assets (net)	-	2.02	-	-	-
Finance Costs	128.53	88.12	61.34	34.26	16.95
Interest Income	(94.89)	(109.73)	(75.06)	(35.94)	(7.07)
Employee Stock Option Charge	-	-	-	-	-
Net loss/(gain) on foreign exchange fluctuations (unrealised)	-	-	-	-	-
Liabilities no longer required written back	-	-	-	-	-
Impairment of goodwill on consolidation	-	-	-	-	-
Advances and bad debts written off (Net)	-	-	-	-	-
Provision for/(reversal of) doubtful advance and receivables	-	-	-	-	-
Provision for insurance claim receivable	-	-	-	-	-
Gratuity and compensated absences	-	-	-	-	-
Dividend Income	(4.38)	(2.93)	(1.82)	(0.24)	-
Credit Balances Written Off	-	-	(0.22)	3.06	56.25
Transfer to share capital for bonus shares	(432.20)	-	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>239.17</b>	<b>898.01</b>	<b>766.88</b>	<b>572.82</b>	<b>458.22</b>
Foreign currency translation adjustments	-	-	-	-	-
<b>Movement in Working Capital:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Adjustments for (Increase) / Decrease in operating assets					
Long-term loans and advances	95.25	(68.77)	7.70	(28.31)	93.58
Receivables	(411.51)	(48.25)	(198.60)	148.94	(31.13)
Short Term Loans & Advances	(19.61)	3.89	(10.13)	21.89	(6.10)
Other Current Assets	(206.33)	(8.26)	-	(4.91)	-
Adjustments for Increase / (Decrease) in operating liabilities					
Other Long Term Liabilities	129.59	2.15	(120.03)	120.20	-
Long Term Provisions	9.01	-	(5.03)	(10.57)	-
Trade Payables	333.63	(18.18)	(38.89)	40.91	17.06
Other Current Liabilities	135.78	19.43	56.68	52.87	10.73
Short Term Provision	-	-	-	98.70	19.15
<b>Cash from Operations</b>	<b>304.98</b>	<b>780.03</b>	<b>458.57</b>	<b>1,012.54</b>	<b>561.51</b>
Income Tax Paid	(233.97)	(266.13)	(153.28)	(110.61)	(10.95)
<b>Net Cash Flow from/ (used in) Operating Activities (A)</b>	<b>71.01</b>	<b>513.90</b>	<b>305.29</b>	<b>901.94</b>	<b>550.56</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Payments for Purchase of Fixed Assets & Goodwill others	(10.15)	(189.87)	(33.73)	(200.81)	(284.50)
Proceeds from sale of fixed assets	-	4.50	-	-	-
Payments for Purchase of Mutual Funds	(1,266.67)	(18.00)	(18.00)	(10.50)	-
Interest Income	96.22	105.12	51.93	35.94	3.94
Sale of Investments	-	-	-	-	310.00
Income/Dividends from Long Term Investments	-	-	-	-	-
<b>Net Cash Flow Used in Investing Activities (B)</b>	<b>(1,180.60)</b>	<b>(98.25)</b>	<b>0.19</b>	<b>(175.37)</b>	<b>29.44</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Long Term Borrowings	811.53	167.71	298.62	29.51	62.84
Repayment of Short Term Borrowings	(147.58)	(101.33)	(4.77)	(165.35)	274.59
Issue of Bonus Shares	432.20	-	-	-	-
Change in Minority Interest	-	-	-	-	-
Amount paid for takeover of the company	-	-	-	-	(435.25)
Finance Costs Paid	(128.53)	(88.12)	(61.34)	(34.26)	(16.95)
Dividend and Dividend Distribution Tax Paid	(26.01)	(130.05)	(126.41)	(126.41)	5.85
<b>Net Cash Generated from Financing Activities (C)</b>	<b>941.60</b>	<b>(151.79)</b>	<b>106.10</b>	<b>(296.51)</b>	<b>(108.93)</b>
Effect of Exchange Differences on translation of foreign currency cash and Cash Equivalents					
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(167.99)	263.86	411.58	430.06	471.07
Add: Cash & Cash Equivalents As at 31st March of the year	1,576.55	1,312.70	901.13	471.07	-
<b>Cash &amp; Cash Equivalents As at 31st March, 2017</b>	<b>1,408.57</b>	<b>1,576.55</b>	<b>1,312.70</b>	<b>901.13</b>	<b>471.07</b>

**Notes:**

**Components of Cash and Cash Equivalents:**

Cash in hand	0.13	0.10	0.13	0.13	0.08
Balances with banks					
In current accounts	31.66	4.88	11.73	8.10	154.82
In EEFC accounts	-	22.76	67.56	205.01	37.16
In Fixed Deposit accounts	1,376.78	1,548.81	1,233.28	687.88	279.02
Deposits with original maturity of less than three months	-	-	-	-	-
<b>Total Cash and Cash Equivalents</b>	<b>1,408.57</b>	<b>1,576.55</b>	<b>1,312.70</b>	<b>901.13</b>	<b>471.07</b>

#### **ANNEXURE IV (A)**

#### **STANDALONE RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:**

#### **CORPORATE INFORMATION**

Cadsys (India) Ltd was incorporated in the year 1992 and it is engaged in the IT enabled services.

#### **A. Basis of preparation of Financial Statements:**

The standalone restated summary statement of assets and liabilities of the Company as at March 31, 2017, March 31, 2016, 2015, 2014 and 2013 and the related standalone restated summary statement of profits and loss and cash flows for the period / years ended March 31, 2017, March 31, 2016, 2015, 2014 and 2013 (herein collectively referred to as ('Standalone Restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the period /years ended on March 31, 2017, March 31, 2016, 2015, 2014 and 2013, approved by the Board of Directors of the Company. Standalone restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (—the SEBI Guidelines!) issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Standalone restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with NSE Platform of NSE in connection with its proposed Initial public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Standalone restated Summary Statements.

#### **B. Use of Estimates:**

The preparation of financial statements requires management to make estimates and assumptions that affect amounts in the financial statements and reported notes thereto. Actual results could differ from these estimates. Differences between the actual result and estimates are recognized in periods in which the results are known/ materialized.

#### **C. Fixed Assets:**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

#### **D. Depreciation:**

Depreciation on fixed assets is calculated on Straight Line Method (SLM) basis for all tangible and intangible assets using the rates arrived at based on the method prescribed under Schedule II of the Companies Act, 2013 for the period March 31, 2017, March 31, 2016, 2015, 2014 and 2013.

#### **E. Valuation of Inventories:**

Inventory of traded goods is at cost or net realizable value whichever is lower.

#### **F. Valuation of Investments:**

- i. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.
- ii. Current Investments are carried at lower of cost and fair value determined on an individual investment basis.
- iii. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

#### **G. Revenue Recognition:**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

##### Revenue from Operations

*Revenue from software development on the time and material basis is recognised bases on software developed and billed to client as per the terms of specific contracts.*

##### Sale of Traded Goods

Sale of traded goods/material is recognized as revenue when significant risk and rewards of ownership relating to the goods are transferred to the buyer.

##### Revenue from Other Sources

Other Incomes have been recognized on accrual basis.

#### **H. Employee Benefits:**

##### **1 Short Term Employee Benefits:**

All employee benefits payable within twelve months of rendering of services are classified as short term benefits. Benefits include salaries, wages, awards, ex-gratia, performance pay, etc. and are recognized in the period in which the employee renders the related service. Liability on account of encashment of leave, Bonus to employee is considered as short term compensated expense provided on actual.

##### **• Post Employment Benefit:**

###### **a. Defined Contribution Plan:**

Provident fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the profit & loss account in the year when the contributions to the fund are due.

###### **b. Defined Benefit Plan:**

Company's liability towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation at the date of the Balance Sheet.

#### **I. Earning Per Share**

Basic earning per share is computed by dividing the net profit after tax for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

#### **J. Taxation & Deferred Tax**

Provision for Current Tax is made in accordance with the provision of Income Tax Act, 1961. Deferred tax is recognized on timing differences between taxable & accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent period(s).

#### **K. Contingent Liabilities / Provisions**

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.

#### **L. Foreign Currency Transactions**

**Initial Recognition:** Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

**Conversion:** At the year end, monetary items denominated in foreign currencies other than those covered by forward contracts are converted into rupee equivalents at the year-end exchange rates.

**Exchange Differences:** All exchange differences arising on settlement/conversion of foreign currency transactions are recognized in the statement of profit and loss.

**Forward Exchange Contracts:** In respect of transactions covered by forward contracts, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense on the date of booking of forward contract. The gain/loss on account of foreign currency translation in respect of foreign exchange contracts is spread over the term of the contract.

#### ***Presentation and disclosure of financial statements***

During the year ended 31 March 2012, the Revised Schedule VI notified under the Act, had become applicable to the Company, for preparation and presentation of its financial statements. Accordingly, the Company has prepared the financial statements for the year ended 31 March 2012 onwards in accordance with Revised Schedule VI of the Act. The adoption of Revised Schedule VI of the Act does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the years ended 31 March 2011 in accordance with the requirements of Revised Schedule VI of the Act, to the extent possible.

#### **ANNEXURE – IV (B)**

#### **NOTES ON RECONCILIATION OF STANDALONE RESTATED PROFITS**

(₹ in lacs)

Adjustments for	As at March 31,				
	2016-17	2015-16	2014-15	2013-14	2012-13
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	268.00	559.57	441.34	314.78	228.79
<b><u>Adjustments for:</u></b>					
Excess/(Short) Provision for Depreciation made	-	-	-	-	-
Income Tax Provision	-	-	-	-	-
Provision for Gratuity	-	-	-	-	-
CSR Expenditure	-	-	-	-	-

Provision for Deferred Tax Liability/(Asset)	-	-	-	-	-
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>268.00</b>	<b>559.57</b>	<b>441.34</b>	<b>314.78</b>	<b>228.79</b>

**There are no adjustments made to Net Profit/(Loss) in audited financial statements for the years 2017,2016,2015,2014 and 2013 and the same profits have been disclosed as restated profits.**

### **Material Regrouping**

W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from April 1, 2011, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. The Company has reclassified the figures for the previous financial year ended March 31, 2011 in accordance with the requirements of Schedule III. Appropriate adjustments have been made in the Standalone restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

### **ANNEXURE – V**

#### **DETAILS OF SHARE CAPITAL, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>EQUITY SHARE CAPITAL:</b>					
<b>AUTHORISED:</b>					
Equity Shares of Rs. 10 each	850.00	365.00	365.00	365.00	350.00
<b>Total</b>	<b>850.00</b>	<b>365.00</b>	<b>365.00</b>	<b>365.00</b>	<b>350.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>					
Equity Shares of Rs. 10 each	540.25	108.05	108.05	108.05	108.05
<b>Total</b>	<b>540.25</b>	<b>108.05</b>	<b>108.05</b>	<b>108.05</b>	<b>108.05</b>

#### **Reconciliation of number of shares outstanding at the end of the year:**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Equity Shares at the beginning of the year	10.81	10.81	10.81	10.81	10.81
Add: Bonus Shares Issued during the year	43.22	-			
Add: New Shares Issued during the year		-			
<b>TOTAL</b>	<b>54.03</b>	<b>10.81</b>	<b>10.81</b>	<b>10.81</b>	<b>10.81</b>

**DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES OF THE COMPANY:**

Name of Shareholders	As at March 31,									
	2017		2016		2015		2014		2013	
	No of shares Held	% of Holding	No of shares Held	% of Holding	No of shares Held	% of Holding	No of shares Held	% of Holding	No of shares Held	% of Holding
Padmaja N.C	12,96,600	24.00 %	5,59,800	51.81 %	5,59,800	51.81 %	5,59,800	51.81 %	5,59,800	51.81 %
Rangacharya NCV	18,90,875	35.00 %	2,75,100	25.46 %	2,75,100	25.46 %	2,75,100	25.46 %	2,75,100	25.46 %
Pushpavathi N.C			1,40,200	12.98 %	1,40,200	12.98 %	1,40,200	12.98 %	1,40,200	12.98 %
B.Shailaja	15,02,400	27.81 %	-	-	-	-	-	-	-	-

**ANNEXURE VI  
DETAILS OF RESERVES AND SURPLUS, AS RESTATED**

(₹ in lacs)

Particulars'	As at March 31,				
	2017	2016	2015	2014	2013
<b>Securities Premium Reserve</b>					
Opening Balance	8.00	8.00	8.00	8.00	8.00
Add: Proceed Received during the year	-	-	-	-	-
Less: Bonus Shares issued during the year	-	-	-	-	-
<b>Closing Balance</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>
<b>General Reserve</b>					
Opening Balance	177.80	127.80	77.80	27.80	27.80
Add: Received during the year	-	50.00	50.00	50.00	-
<b>Closing Balance</b>	<b>177.80</b>	<b>177.80</b>	<b>127.80</b>	<b>77.80</b>	<b>27.80</b>
<b>Profit &amp; Loss a/c</b>					
Opening Balance	1,551.03	1,067.47	749.12	610.75	817.21
Add: Profit for the year	268.00	559.57	441.34	314.78	228.79
Loss Of merged company-cogent consulting eng Ind pvt Ltd	-	-	-	-	-435.25
Less: Proposed Dividend	-	-21.61	-108.05	-108.05	-
Less: Dividend Distribution Tax	-	-4.40	-22.00	-18.36	-
Transfer To general Reserve	-	-50.00	-50.00	-50.00	-
(Less): Depreciation effect due to Schedule II	-	-	57.06	-	-
(Less): Provision for Gratuity for earlier years	-	-	-	-	-
(Less): Provision for tax for earlier years	-	-	-	-	-
(Less): Bonus Shares issued during the	(432.20)	-	-	-	-

year					
Closing Balance	1,386.83	1,551.03	1,067.47	749.12	610.75
<b>Total</b>	<b>1,572.63</b>	<b>1,736.83</b>	<b>1,203.27</b>	<b>834.92</b>	<b>646.55</b>

**ANNEXURE VII**  
**DETAILS OF LONG TERM BORROWINGS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Secured Loans</b>	-	-	-	-	-
<b>-Term Loans</b>	-	-	-	-	-
-From Banks	1,051.19	-	38.00	78.00	58.96
-From others	-	-	-	-	-
<b>-Vehicle Loans</b>	-	-	-	-	-
-From Banks	-	-	-	1.26	9.34
-From others	40.22	74.76	30.21	18.77	-
<b>Unsecured Loans</b>	-	-	-	-	-
-From Related Parties	75.33	-	-	-	-
-From Others	-	52.13	137.90	6.66	-
-From Banks	-	30.83	90.38	2.15	-
<b>TOTAL</b>	<b>1,166.74</b>	<b>157.73</b>	<b>296.49</b>	<b>106.83</b>	<b>68.30</b>

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS**

Nature of Security	Terms of Repayment
<b>Term Loan From Banks</b>	
Term Loan sanctioned by Canara Bank on 12.02.2013 for Rs.138.00 Lakhs Interest @13% against purchase of Servers, Computers, Software Licenses, Air Conditioners, Generator etc	Loan repayable in 14 Quarters and for 13 Quarters @ Rs.10 Lakhs each and in 14th Qtr Rs.8 Lakhs
In the year 2016 Rs.10,51,19,094 this amount has been taken by us against pledge of company fixed deposits and the rate of interest @ 10.80%	No repayment was fixed as the amount has been taken against fixed deposits.
Vehicle Loan from Banks: Loan taken from HDFC against purchase of Tayota Corolla on 12.10.2010 for Rs.10,12,000/- Interest @10.51%	The montly EMI of Rs.21566/- starts from 08.10.2010 to 07.09.2015
Vehicle Loan from Tata Capital Finance Ltd : Transfer of loan sanctioned for Rs.7,50,000/- on 06.06.2012 against purchase of Innova Car on Interest @	The montly EMI of Rs.17,622/- starts from 31.05.2010 to 03.05.2017
2013-14 Loan taken from Hewlett Packard Financial services India Pvt Ltd in the year 2013-14 against purchase of Computers as follows.26.12.2013 for Rs.12,21,911/- in schedule No.1 and Schedule No.2 on 26.12.2013 for Rs.9,03,700/- Schedule No.3 on 26.12.2013 for Rs.1,36,000/- and Schedule No.4 on 26.12.2013 for Rs.54,86,250/- interest @14.98%, 15.57,14.98%, and 13.99% respectively	EMI for Each quarter for Schedule No.1 Rs.1,23,647.62 from 01.02.2014 to 01.11.2016 and EMI for Schedule No.2 Rs.92,105.10 from 01.03.2014 to 01.12.2016 and EMI for Schedule 3 Rs.13,762.11 from 01.03.2014 to 01.12.2016 EMI for Schedule No.4 Rs.5,48,493.59 from 01.05.2014 to 01.02.2017
Loan from Fullerton India Credit Company Rs.20,00,000/- interest @ loan taken on 25.05.2012 in 2012-13	EMI Rs.74,006/- from 03.07.2012 to 03.06.2015
Loan from Standard Chartered Bank Rs.30,00,000/- interest @ 19% loan taken on 30.04.2012 in 2012-13	EMI Rs.1,09,969/- from 10.06.2012 to 10.05.2015

Loan from Tata Capital Finance Services Ltd Rs.25,00,000/- interest @ loan taken on 30.05.2012 in 2012-13	EMI Rs.1,09,969/- from 10.06.2012 to 10.05.2015
Loan from Bajaj Finance Ltd Rs.25,45,000/- interest @ % loan taken on 27.11.2012 in 2012-13	EMI Rs.1,64,211/- from 05.01.2013 to 05.06.2014
Loan from Bajaj Finance Ltd Rs.40,72,000/- on 04.10.2014 int @ in 2014-15	EMI Rs.1,49,779/- from 02.11.2014 to 02.10.2017
Loan from Ratnakar Bank Ltd Rs.35,00,000/- interest @ 19 % loan taken on 31.10.2014 in 2014-15	EMI Rs.1,28,297/- from 05.12.2014 to 05.11.2017
Loan from HDFC Bank Ltd Rs.30,00,000/- interest @ 19 % loan taken on 17.10.2014 in 2014-15	EMI Rs.1,06,213/- from 04.11.2014 to 04.10.2017
Loan from Kotak Mahindra Bank Ltd Rs.35,00,000/- interest @ 19 % loan taken on 30.10.2014 in 2014-15	EMI Rs.1,75,157/- from 01.12.2014 to 30.11.2016
Loan from Magma Fincorp Ltd Rs.35,00,000/- interest @ 19 % loan taken on 31.10.2014 in 2014-15	EMI Rs.1,30,966/- from 07.12.2014 to 07.11.2017
Loan from Religare Finvest Ltd Rs.30,00,000/- interest @ 19 % loan taken on 06.11.2014 in 2014-15	EMI Rs.1,10,363/- from 01.12.2014 to 01.11.2017
Loan from Capital First Ltd Rs.40,00,000/- interest @ 19 % loan taken on 26.11.2014 in 2014-15	EMI Rs.1,44,610/- from 05.12.2014 to 05.11.2017
Loan from Fullerton Credit company Ltd Rs.50,00,000/- interest @ 19 % loan taken on 21.10.2014 in 2014-15	EMI Rs.1,80,762/- from 05.11.2014 to 05.10.2017
Loan from Tata Capital Finance Ltd Rs.45,00,000/- interest @ 18.30 % loan taken on 25.10.2014 in 2014-15	EMI Rs.2,26,293/- from 03.12.2014 to 03.11.2016
Loan from Standard Chartered Bank Rs.60,00,000/- interest @ 18.30 % loan taken on 24.10.2014 in 2014-15	EMI Rs.2,60,915/- from 10.11.2014 to 10.10.2017
Loan taken from Hewlett Packard Financial services India Pvt Ltd on 02.03.2015 in the year 2014-15 against purchase of Computers vide schedule No. 5 for Rs.80,22,458/- interest @14.50%,	EMI Rs.8,49,352/- from 01.07.2015 to 01.04.2018
Loan taken from Daimler Financial services India Pvt Ltd on 03.07.2015 for Rs.35,04,651/- in the year 2015-16 against purchase of BENZ Car int @10.9745	EMI Rs.53,304/- from 02.08.2015 to 02.07.2020
Loan taken from Hewlett Packard Financial services India Pvt Ltd on 11.08.2015 in the year 2015-16 against purchase of Computers vide schedule No.6 for Rs.1,24,000 interest @14.62%,	EMI Rs.14,334/- from 01.11.2015 to 01.08.2018
Loan taken from Hewlett Packard Financial services India Pvt Ltd on 11.08.2015 in the year 2015-16 against purchase of Computers vide schedule No.7 for Rs.90,000 interest @14.62%,	EMI Rs.9,542/- from 01.11.2015 to 01.08.2018
Unsecured Loans from Related Parties and Others carries Nil rate of Interest and the terms of repayment are not fixed.	

## ANNEXURE VIII

### DETAILS OF DEFERRED TAX ASSET/ (LIABILITY), AS RESTATED

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Deferred Tax Liability</b>					
Related to Difference of Depreciation as per Books and as per IT	1.34	56.24	42.34	13.96	13.47
Related to Expenses Disallowable under Income Tax Act					



<b>Deferred Tax Asset</b>					
Related to Expenses Disallowable under Income Tax Act	(23.57)	-23.65	-14.15	-13.28	-12.71
<b>Deferred Tax Asset/(Liability) (net) after adjustments</b>	<b>(22.23)</b>	<b>32.59</b>	<b>28.19</b>	<b>0.68</b>	<b>0.76</b>

**ANNEXURE IX**  
**DETAILS OF LONG TERM PROVISIONS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Provision for Gratuity	36.23	27.22	27.22	32.25	-
<b>TOTAL</b>	<b>36.23</b>	<b>27.22</b>	<b>27.22</b>	<b>32.25</b>	<b>-</b>

**ANNEXURE – X**  
**DETAILS OF SHORT TERM BORROWING, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<i>Secured</i>					
Over Draft					
-From Banks	62.37	209.95	42.24	47.02	212.36
Unsecured Loans from Directors and Others	-	-	-	-	76.72
Term Loans	-	-	-	-	-
Hire Purchase vehicle loans	-	-	-	-	2.86
<b>TOTAL</b>	<b>62.37</b>	<b>209.95</b>	<b>42.24</b>	<b>47.02</b>	<b>291.94</b>

**ANNEXURE – XI**  
**DETAILS OF TRADE PAYABLES, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Micro, Small and Medium Enterprises	-	-	-	-	-
Others	339.15	5.52	23.70	62.60	21.69
<b>TOTAL</b>	<b>339.15</b>	<b>5.52</b>	<b>23.70</b>	<b>62.60</b>	<b>21.69</b>

**ANNEXURE – XII**  
**DETAILS OF OTHER CURRENT LIABILITIES, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Statutory Dues and other dues payable	136.71	62.13	36.49	19.13	8.00
Creditors for Expenses	27.41	25.66	15.81	15.12	-
Current Maturities of Long Term Debt	83.04	181.16	172.80	82.26	-
Current Maturities of Financial Lease Obligations	33.88	57.91	28.84	10.43	-
Others	86.06	101.94	117.99	79.58	68.72
<b>TOTAL</b>	<b>367.10</b>	<b>428.80</b>	<b>371.93</b>	<b>206.52</b>	<b>76.73</b>

**ANNEXURE – XIII**  
**DETAILS OF SHORT TERM PROVISIONS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Provision for Taxation	(0.07)	52.85	64.71	23.04	50.75
Provision for Proposed Dividend	-	21.61	108.05	108.05	-
Provision for Dividend Distribution Tax	-	4.40	22.00	18.36	-
Provision for Employee Benefits (Bonus, Gratuity and LIC)	-	-	-	-	39.17
<b>TOTAL</b>	<b>(0.07)</b>	<b>78.86</b>	<b>194.76</b>	<b>149.45</b>	<b>89.92</b>

**ANNEXURE-XIV**

**DETAILS OF FIXED ASSETS, AS RESTATED**

**Fixed Assets Statement for the financial year 2012-13**

(₹ in lacs)

2012-13		GROSS BLOCK				DEPRECIATION FOR THE YEAR				NET BLOCK		
S. No	DESCRPTION	As at	Additions	Deletions	As on	Rate of Depn.	Up to 31.03. 2012	Durin g the Year till 31/03/ 2013	Delet ions	As on	As on	As on
		4/1/2 012	durin g the year	durin g the year	3/31/ 2013				duri ng the year	3/31/ 2013	3/31/ 2013	3/31/ 2012
		Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs.	Rs.
1	Furniture & Fittings	120.58	41.52		162.11		70.25	10.01		80.26	81.85	50.33
2	Computer	423.34	129.02		552.36		382.66	78.94		461.60	90.75	40.68
3	Electrical Equipment	46.79	0.54		47.34		21.28	2.25		23.53	23.80	25.51
4	Office Equipment	33.01	8.28		41.29		15.27	1.84		17.11	24.18	17.74
5	Vehicle	13.43	10.15		23.58		1.87	2.08		3.95	19.63	11.56
6	Air conditioner	17.46	4.66		22.11		8.88	0.97		9.85	12.26	8.58
7	Generator	17.08	16.63		33.71		7.68	0.82		8.50	25.21	9.40
8	U.P.S	10.43	3.39		13.81		7.02	0.61		7.63	6.18	3.41
9	Communi cation Equipment	26.22	11.86		38.08		8.98	1.68		10.66	27.41	17.24
10	Land	7.21	0.00		7.21		0.00	0.00			7.21	7.21
TOTAL		715.55	226.05		941.60		523.90	99.20		623.10	318.50	191.65

11	Software	83.70	58.45	142.15	83.66	45.55	129.21	12.95	0.04
<b>Total</b>		799.25	284.50	1,083.75	607.56	144.75	752.30	331.44	191.69

#### Fixed Assets Statement for the financial year 2013-14

(₹ in lacs)

2013-14		GROSS BLOCK			DEPRECIATION			NET BLOCK		
S.N o	DESCRIPT ION	As at 4/1/20 13	Additi ons during the year	As on 3/31/2 014	Up to 01.04.2 013	During the Year till 31/03/2 014	As on 3/31/2 014	As on 3/31/2 014	As on 3/31/2 013	Rate of Dep n.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Tangible Fixed Assets</b>										
1	Furniture & Fittings	162.11	4.57	166.68	80.26	10.47	90.73	75.95	81.85	6.33 %
2	Computer	552.36	131.18	683.54	461.60	99.73	561.33	122.21	90.75	16.21 %
3	Electrical Equipment	47.34	2.96	50.29	23.53	2.28	25.81	24.48	23.80	4.75 %
4	Office Equipment	41.29	4.23	45.52	17.11	2.04	19.15	26.37	24.18	4.75 %
5	Vehicle	23.58	0.00	23.58	3.95	2.24	6.19	17.39	19.63	9.50 %
6	Air conditioner	22.11	0.13	22.25	9.85	1.06	10.90	11.34	12.26	4.75 %
7	Generator	33.71	0.00	33.71	8.50	1.60	10.10	23.61	25.21	4.75 %
8	U.P.S	13.81	12.51	26.32	7.63	0.81	8.44	17.88	6.18	4.75 %
9	Communicat ion Equipment	38.08	4.44	42.51	10.66	1.96	12.62	29.89	27.41	4.75 %
10	Land	7.21	0.00	7.21	0.00	0.00	0.00	7.21	7.21	0.00 %
<b>Total</b>		941.60	160.02	1,101.61	623.10	122.18	745.28	356.33	318.50	
<b>Intangible Fixed Assets</b>										
11										
12	Software	142.15	40.79	182.94	129.21	24.11	153.32	29.63	0.04	100 %

#### Fixed Assets Statement for the financial year 2014-15

(₹ in lacs)

(in lakhs)											
2014-15		GROSS BLOCK			DEPRECIATION			NET BLOCK			
S.	DESCRIP	As at	Addit	As on	Up to 01.04.	Durin	Adju	As on	As on	As on	Use

No	DESCRIPTION	Additions			2014	During the Year till 31/03/2015	Provided against Reserves	Balance			Useful Life in Yrs
		4/1/2014	During the year	3/31/2015				3/31/2015	3/31/2015	3/31/2014	
		Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	
<b>Tangible Fixed Assets</b>											
1	Furniture & Fittings	166.68	3.33	170.00	90.73	18.27	2.30	111.30	58.70	75.95	10
2	Computer	650.53	4.92	655.45	555.99	4.65	103.14	457.50	197.95	94.54	3
3	Servers	33.01	7.83	40.84	5.34	5.86		11.20	29.64	27.67	6
4	Electrical Equipment	50.29		50.29	25.81	8.66	5.78	40.26	10.04	24.48	10
5	Office Equipment	45.52	2.23	47.75	19.15	7.55	10.54	37.24	10.51	26.37	5
6	Vehicle	23.58		23.58	6.19	3.35		9.54	14.04	17.39	8
7	Air conditioner	22.25	0.47	22.72	10.90	2.81	2.47	16.18	6.54	11.34	10
8	Generator	33.71		33.71	10.10	4.49	1.07	15.66	18.06	23.61	10
9	U.P.S	26.32	0.46	26.78	8.44	4.68		13.11	13.67	17.88	5
10	Communication Equipment	42.51	0.47	42.98	12.62	1.80	11.02	25.45	17.54	29.89	5
11	Land	7.21		7.21		0.00	0.00		7.21	7.21	-
<b>Intangible Fixed Assets</b>											
12	Software	182.94	14.03	196.97	153.32	18.58	12.90	184.80	12.18	29.63	1
		<b>182.94</b>	<b>14.03</b>	<b>196.97</b>	<b>153.32</b>	<b>18.58</b>	<b>12.90</b>	<b>184.80</b>	<b>12.18</b>	<b>29.63</b>	
<b>Total</b>		1,284.55	33.73	1,318.29	898.60	80.69	57.06	922.23	396.06	385.96	

**Fixed Assets Statement for the financial year 2015-16**

(₹ in lacs)

		GROSS BLOCK			DEPRECIATION				NET BLOCK			Useful Life in Yrs
S. No	DESCRIPTION	As at 4/1/2015	Additions during	Deletions	As on 3/31/2016	Up to 01.04.2015	During the Year till 31/03/2015	Deletions	As on 3/31/2016	As on 3/31/2016	As on 3/31/2015	

		the year		2016								
		Rs.	Rs.		Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	
Tangible Fixed Assets												
1	Furniture & Fittings	170.00	1.72		171.72	111.30	17.79		129.09	42.64	58.70	10
2	Computer	655.45	103.85		759.30	457.50	29.84		487.34	271.96	197.95	3
3	Servers	40.84			40.84	11.20	6.84		18.03	22.80	29.64	6
4	Electrical Equipment	50.29			50.29	40.26	7.70		47.96	2.34	10.04	10
5	Office Equipment	47.75	9.15		56.90	37.24	4.72		41.96	14.94	10.51	5
6	Vehicle	23.58	52.82	13.43	62.96	9.54	6.84	6.91	9.47	53.50	14.04	8
7	Air conditioner	22.72	1.12		23.84	16.18	2.06		18.24	5.60	6.54	10
8	Generator	33.71	0.23		33.94	15.66	4.49		20.15	13.80	18.06	10
9	U.P.S	26.78	12.65		39.44	13.11	6.25		19.36	20.07	13.67	5
10	Communication Equipment	42.98	5.46		48.44	25.45	1.31		26.76	21.68	17.54	5
11	Land	50.29	-		7.21		0.00		-	7.21	7.21	-
Total		1,121.32	187.00	13.43	1,294.89	737.43	87.84	6.91	818.36	476.52	383.89	
12	Software	196.97	2.87		199.85	184.80	14.34	-	199.14	0.71	12.18	1
Total		196.97	2.87		199.85	184.80	14.34	-	199.14	0.71	12.18	
		1,318.29	189.87		1,494.73	922.23	102.18	6.91	1,017.50	477.23	396.06	

**Fixed Assets Statement for the financial year 2016-17**

(₹ in lacs)

2016-17		GROSS BLOCK				DEPRECIATION				NET BLOCK			
S. No	DESCRIPTION	As at 4/1/2016	Additions during	Deletions during	As on 3/31/2017	Up to 01.04.2016	Deletions during	For the Year ended 31/03	Adjusted against	As on 3/31/2017	As on 3/31/2017	As on 3/31/2016	Useful Life

		the year	the year		the year	/2017	Rese rves				in Yr s		
Tangibl e Fixed Assets													
1	Furniture & Fittings	171. 72	0.13	-	171. 85	129.0 9	-	8.96	-	138. 05	33.8 0	42.6 4	10
2	Compute r	759. 30	3.69	-	762. 99	487.3 4	-	191.1 0	-	678. 44	84.5 5	271. 96	3
3	Servers	40.8 4		-	40.8 4	18.03	-	6.84	-	24.8 8	15.9 6	22.8 0	6
4	Electrica l Equipme nt	50.2 9		-	50.2 9	47.96	-	2.26	-	50.2 2	0.07	2.34	10
5	Office Equipme nt	56.9 0	4.70	-	61.6 0	41.96	-	6.04	-	48.0 0	13.6 0	14.9 4	5
6	Vehicle	62.9 6		-	62.9 6	9.47	-	7.96	-	17.4 2	45.5 4	53.5 0	8
7	Air conditio ner	23.8 4	1.15	-	24.9 9	18.24	-	1.56	-	19.8 0	5.19	5.60	10
8	Generato r	33.9 4		-	33.9 4	20.15	-	2.99	-	23.1 3	10.8 1	13.8 0	10
9	U.P.S	39.4 4		-	39.4 4	19.36	-	6.08	-	25.4 4	13.9 9	20.0 7	5
10	Commun ication Equipme nt	48.4 4	0.42	-	48.8 6	26.76	-	13.31	-	40.0 7	8.78	21.6 8	5
11	Land	7.21		-	7.21		-	-	-		7.21	7.21	-
Total		1,29 4.89	10.0 8	-	1,30 4.96	818.3 6	-	247.1 0	-	1,06 5.46	239. 50	476. 52	
Intangib le Fixed Assets													
12	Software	199. 85	0.08		199. 92	199.1 4		0.78		199. 92	0.00	0.71	1
Total		199. 85	0.08	-	199. 92	199.1 4	-	0.78	-	199. 92	0.00	0.71	
		1,49 4.73	10.1 5		1,50 4.88	1,017 .50		247.8 8		1,26 5.38	239. 50	477. 23	

**ANNEXURE –XV**  
**DETAILS OF NON-CURRENT INVESTMENTS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Unquoted- At Cost</b>					
Cadsys Technologies Australia Pty Ltd	-	16.51	16.51	-	-
Canara Bank Robeco Mutual Fund	73.88	51.49	30.56	10.74	-
Cadsys Technologies LLC USA	33.61	33.61	33.61	-	-
Apex Advanced Technology LLC, USA	1263.89	-	-	-	-
Investment in Cadsys Technologies LLP	0.49	-	-	-	-
Investment InShares-Apex Engineers (India) Pvt Ltd	0.80	-	-	-	-
<b>TOTAL</b>	<b>1372.67</b>	<b>101.61</b>	<b>80.68</b>	<b>10.74</b>	<b>-</b>

**ANNEXURE -XVI**  
**DETAILS OF LONG TERM LOAN AND ADVANCES, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Capital Advances	-	-	5.00	5.00	5.00
Rent Deposit	57.11	57.11	22.43	22.43	22.43
Balances with Government Authorities	28.83	1.65	9.21	5.08	11.09
Loans and Advances to Related Parties	74.25	209.54	169.96	232.05	11.76
Other Deposits	29.04	16.17	9.12	8.97	1.45
Share Application money	-	-	-	-	193.49
<b>TOTAL</b>	<b>189.23</b>	<b>284.47</b>	<b>215.72</b>	<b>273.53</b>	<b>245.22</b>

**ANNEXURE –XVII**  
**DETAILS OF CURRENT INVESTMENTS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2017	2016
	Nil	Nil	Nil	Nil	Nil
<b>TOTAL</b>					

**ANNEXURE –XVIII**  
**DETAILS OF INVENTORIES, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013

Raw materials	Nil	Nil	Nil	Nil	Nil
Finished goods	Nil	Nil	Nil	Nil	Nil
Packing Material	Nil	Nil	Nil	Nil	Nil
<b>TOTAL</b>	Nil	Nil	Nil	Nil	Nil

**ANNEXURE –XIX**  
**DETAILS OF TRADE RECEIVABLES, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<u>Unsecured, Considered Good, unless otherwise stated</u>					
- Over Six Months	-	-	-	-	-
From Directors/ Promoter/ Promoter Group/ Relatives of Directors and Group Companies					
Others	-	0.23	-	-	-
- Other Debts					
From Directors/ Promoter/ Promoter Group/ Relatives of Directors and Group Companies	349.00	134.22	-	-	-
Others	337.42	140.45	226.65	28.05	180.05
<b>TOTAL</b>	<b>686.42</b>	<b>274.90</b>	<b>226.65</b>	<b>28.05</b>	<b>180.05</b>

**ANNEXURE –XX**  
**DETAILS OF CASH & CASH EQUIVALENTS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Balance with Banks	1,408.44	1,576.45	1,213.57	901.00	470.99
Cash on Hand	0.13	0.10	0.13	0.13	0.08
Margin Money	-	-	-	-	-
<b>TOTAL</b>	<b>1,408.57</b>	<b>1,576.55</b>	<b>1,312.70</b>	<b>901.13</b>	<b>471.07</b>

**ANNEXURE XXI**  
**DETAILS OF SHORT TERM LOAN AND ADVANCES, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Security Deposits					
Loans and Advances to Employees	0.37	0.03	3.00	0.03	0.34
Loans and Advances to Others	14.97	5.70	7.85	7.58	7.42
<b>TOTAL</b>	<b>15.34</b>	<b>5.73</b>	<b>10.85</b>	<b>7.61</b>	<b>7.76</b>



**ANNEXURE –XXII**  
**DETAILS OF REVENUE FROM OPERATIONS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>REVENUE FROM OPERATIONS</b>					
Export Income	2252.84	2767.03	2206.19	1898.32	1366.96
Professional Charges Received	315.53	149.48	22.47	21.95	0.64
Unbilled Revenue	162.10	0.00	0.00	0.00	0.00
Total	<b>2,730.47</b>	<b>2916.51</b>	<b>2,228.66</b>	<b>1,920.27</b>	<b>1,367.60</b>

**ANNEXURE - XXIII**  
**DETAILS OF OTHER INCOME, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>OTHER INCOME</b>					
Deposits					
Interest Income	94.89	109.73	75.06	35.94	7.07
other balances	0.00	0.00	0.00	0.00	0.00
Interest On Income Tax Refund	0.00	0.00	0.00	0.00	0.00
Exchange Rate Variation	0.00	31.94	0.00	61.18	14.68
Income sub-Rental Income & Electricity	0.00	0.53	6.48	12.95	47.73
Miscellaneous income	3.71	25.56	3.00	0.04	2.29
Dividend from Mutual Funds	4.38	2.93	1.82	0.24	0.00
Credit balances Written back	0.00	0.00	0.22	0.00	0.00
Dollar Hedging Gain	-	-	-	-	-
Duty Drawback Received	-	-	-	-	-
Entry Tax Refund	-	-	-	-	-
Profit on foreign currency transactions (Net)	-	-	-	-	-
Amount Received against debit balances written off in earlier years	-	67.50	-	-	-
Profit on Buyer's Credit Adjustments	-	-	-	-	-
Profit on Sale of Fixed Assets	-	-	-	-	-
Profit on Sale of Land	-	-	-	-	-
Total	<b>102.98</b>	<b>238.19</b>	<b>86.58</b>	<b>110.35</b>	<b>71.77</b>

# ANNEXURE XXIV

## DETAILS OF RELATED PARTY TRANSACTIONS, AS RESTATED

(₹ in lacs)

Name	Relationship	Nature of Transactions	Amount Transaction upto 31.03.2017	Amount Outstanding as on 31.03.2017 (Payable / Receivable)	Amount Transaction in 2015	Amount Outstanding as on 31.03.2016 (Payable / Receivable)	Amount Transaction in 2014	Amount Outstanding as on 31.03.2015 (Payable / Receivable)	Amount Transaction in 2013	Amount Outstanding as on 31.03.2014 (Payable / Receivable)	Amount Transaction in 2012	Amount Outstanding as on 31.03.2013 (Payable / Receivable)
N.C. V. Rangacharya	Managing Director	Managerial Remuneration	60.00	-	60.00	3.00	30.00	9.30	18.00	0.68	18.00	1.06
		Unsecured Loan To company	27.00	25.93							20.50	20.50
N.C. Padmaja	Whole Time Director	Managerial Remuneration	36.00	0.77	36.00	2.21	30.00	13.62	12.00	0.86	12.00	0.88
		Unsecured Loan To Company	50.00	49.40							0.70	Nil

# ANNEXURE XXV

## DETAILS OF SIGNIFICANT ACCOUNTING RATIOS, AS RESTATED

(₹ In Lakhs, except per share data)

Ratios	As at March 31,				
	2017	2016	2015	2014	2013
Restated PAT as per P& L Account	268.00	559.57	441.34	314.78	228.79
Weighted Average Number of Equity Shares at the end of the Year	54.03	10.81	10.81	10.81	10.81
No. of Shares outstanding at the year end	54.03	10.81	10.81	10.81	10.81
Net Worth	2,112.88	1,844.88	1,311.32	942.97	754.60

<b>Earnings Per Share</b>					
Basic & Diluted	4.96	51.76	40.85	29.13	21.17
<b>Return on Net Worth (%)</b>	12.68%	30.33%	33.66%	33.38%	30.32%
<b>Net Asset Value Per Share (Rs)</b>	39.11	170.74	121.36	87.27	69.84
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00	10.00

**ANNEXURE XXVI**  
**CAPITALISATION STATEMENT, AS RESTATED**

			(₹ in lacs)
<b>Particulars</b>	<b>Pre issue</b>	<b>Post issue</b>	
<b>Borrowings</b>			
Short term debt (A)	62.37	62.37	
Long Term Debt (B)	1,166.74	1,166.74	
<b>Total debts (C)</b>	<b>1,229.11</b>	<b>1,229.11</b>	
<b>Shareholders' funds</b>			
Equity share capital	540.25	750.25	
Reserve and surplus - as restated	1,572.63	2,832.63	
<b>Total shareholders' funds</b>	<b>2,112.88</b>	<b>3,582.88</b>	
<b>Long term debt / shareholders' funds</b>	<b>0.55</b>	<b>0.33</b>	
<b>Total debt / shareholders' funds</b>	<b>0.58</b>	<b>0.34</b>	

**ANNEXURE XXVII**  
**STATEMENT OF TAX SHELTERS, AS RESTATED**

						(₹ in lacs)
<b>Particulars</b>	<b>As at March 31,</b>					
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	
Restated Profit before tax (A)	394.23	818.35	701.95	425.39	247.34	
Income Tax Rate (%)	33.063%	33.063%	32.445%	32.445%	32.445%	
MAT Rate (%)	20.389%	20.389%	20.078%	20.078%	20.078%	
Tax at notional rate on profits	130.34	270.57	227.75	138.02	80.25	
<b>Adjustment :</b>						
<b>Permanent Differences(B)</b>						
Donation	0.25	0.60	0.60	0.50	-	
Interest on delayed payment of Income tax	-	7.61	9.19	3.40	5.05	
Allowance u/s 35D	-	-	-	-	-	
Disallowance u/s 269T	-	-	-	-	-	
Allowable/Disallowable u/s 37	1.72	0.82	7.29	10.14	56.94	
Disallowable u/s 40	-	-	-	-	-	

<b>Total Permanent Differences(B)</b>	1.97	9.03	17.08	14.04	61.99
<b>Income considered separately (C)</b>					
Profit on Sale of Depreciable Fixed Assets	-	-2.02	-	-	
Interest on Income Tax Refund					
Profit on Sale of Land*	-				-
<b>Total Income considered separately (C)</b>	-	-2.02	-	-	-
<b>Timing Differences (D)</b>					
Difference between tax depreciation and book depreciation	166.1	41.6	30.4	1.5	40.2
Difference due to expenses allowable/ disallowable u/s 43B	35.1	27.9	7.7	1.7	2.2
<b>Total Timing Differences (D)</b>	<b>201.11</b>	<b>13.68</b>	<b>22.72</b>	<b>0.21</b>	<b>42.35</b>
<b>Net Adjustments E = (B+C+D)</b>	<b>203.08</b>	<b>6.67</b>	<b>5.64</b>	<b>14.25</b>	<b>104.34</b>
<b>Tax expense / (saving) thereon</b>	67.14	2.21	1.83	4.62	33.85
<b>Income chargeable under the head OTHER SOURCES (F)</b>					
Interest on Income Tax Refund	-	-	-	-	-
<b>Total Income chargeable under the head OTHER SOURCES (F)</b>	-	-	-	-	-
<b>Deduction under Chapter VI-A (G)</b>					
Deduction u/s 80G	0.13	0.13	-	-	-
<b>Total Deduction under Chapter VI-A (G)</b>	0.13	0.13	-	-	-
<b>Taxable Income/(Loss) (A+E+F+G)</b>	<b>597.44</b>	<b>811.81</b>	<b>696.31</b>	<b>439.64</b>	<b>351.68</b>
<b>Taxable Income/(Loss) as per MAT</b>	394.23	818.35	701.95	425.39	247.34
<b>Income Tax as returned/computed</b>	197.53	268.41	225.92	142.64	114.10
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal	Normal

**ANNEXURE XXVIII**  
**DETAILS OF CONTINGENT LIABILITIES, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
In respect of Corporate Guarantee given on behalf of related parties	1.72	1.72	1.43	1.43	1.17
<b>TOTAL</b>	<b>1.72</b>	<b>1.72</b>	<b>1.43</b>	<b>1.43</b>	<b>1.17</b>

**Independent Auditor's Report for the  
Consolidated Restated Financial Statements of Cadsys (India) Ltd.**

**To,  
The Board of Directors,  
Cadsys (India) Ltd.  
3-5-900/1, IVth Floor,  
Aparajitha Arcade,  
Himayatnagar,  
Hyderabad, Telangana-500 029**

Dear Sirs,

1. We have examined the attached Consolidated Restated Summary Statement of Assets and Liabilities of **Cadsys (India) Ltd.**, (hereinafter referred to as “**the Company**”) and its subsidiary as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, Consolidated Restated Summary Statement of Profit and Loss and Consolidated Restated Summary Statement of Cash Flow for the period / financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, (collectively referred to as the “**Consolidated Restated Summary Statements**” or “**Consolidated Restated Financial Statements**”) annexed to this report and initialled by us for identification purposes. These Consolidated Restated Financial Statements have been prepared by the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on SME Platform of NSE Limited (“**NSE Emerge**”).
2. These Consolidated Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
3. We have examined such Consolidated Restated Financial Statements taking into consideration:
  - (i) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public offering of equity shares in SME Platform of National Stock Exchange of India Limited (“IPO or SME IPO”)
  - (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
4. We did not audit the financial statements of the Company's subsidiary for any of the above periods/years. The audit reports of the other auditor for the subsidiary have been furnished to us by management and on which we have relied, and our opinion, in so far as it relates to the amounts included in the financial statements of the subsidiary, is solely based on the report of the auditor. The Consolidated Restated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company and its subsidiary for the period / year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, which have been approved by the Board of Directors.
5. In accordance with the requirements of the Act, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The “**Consolidated Restated Statement of Asset and Liabilities**” as set out in **Annexure I** to this report, of the Company as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, are prepared by the Company and approved by the Board of Directors.

These Statement of Asset and Liabilities, as Consolidated Restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Consolidated Restated Summary Statements as set out in **Annexure IV** to this Report.

- (ii) The “**Consolidated Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the period / financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as Consolidated Restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Consolidated Restated Summary Statements as set out in **Annexure IV** to this Report.
  - (iii) The “**Consolidated Restated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the period / financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as Consolidated Restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Consolidated Restated Summary Statements as set out in **Annexure IV** to this Report.
6. Based on our examination and audited financial statements, we report that the Consolidated Restated Financial Statements have been made after incorporating:
- a) Adjustments for the changes in accounting policies retrospectively in respective financial years/period to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.
  - b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
  - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - d) There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the period / financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, which would require adjustments in this Consolidated Restated Financial Statements of the Company.
  - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Consolidated Restated Summary Statements as set out in **Annexure IV** to this report.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period / financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 proposed to be included in the Draft Prospectus / Prospectus (“**Offer Document**”).

**Annexure of Consolidated Restated Financial Statements of the Company:-**

- i. Summary Statement of Assets and Liabilities, as Consolidated Restated as ANNEXURE I;
- ii. Summary Statement of Profit and Loss, as Consolidated Restated as ANNEXURE II;
- iii. Summary Statement of Cash Flow, as Consolidated Restated as ANNEXURE III;
- iv. Significant Accounting Policies in ANNEXURE IV;

- v. Details of Details of Share Capital as Consolidated Restated as appearing in ANNEXURE V to this report;
  - vi. Details of Reserves and Surplus as Consolidated Restated as appearing in ANNEXURE VI to this report;
  - vii. Details of Long Term Borrowings as Consolidated Restated as appearing in ANNEXURE VII to this report;
  - viii. Details of Deferred Tax Asset/Liability as Consolidated Restated as appearing in ANNEXURE VIII to this report;
  - ix. Details of Long Term Provisions as Consolidated Restated as appearing in ANNEXURE IX to this report;
  - x. Details of Short Term Borrowings as Consolidated Restated as appearing in ANNEXURE X to this report;
  - xi. Details of Trade Payables as Consolidated Restated as appearing in ANNEXURE XI to this report
  - xii. Details of Other Current Liabilities as Consolidated Restated as appearing in ANNEXURE XII to this report;
  - xiii. Details of Short Term Provisions as Consolidated Restated as appearing in ANNEXURE XIII to this report
  - xiv. Details of Fixed Assets as Consolidated Restated as appearing in ANNEXURE XIV to this report;
  - xv. Details of Non Current Investments as Consolidated Restated as appearing in ANNEXURE XV to this report
  - xvi. Details of Trade Receivables as Consolidated Restated as appearing in ANNEXURE XVI to this report;
  - xvii. Details of Cash & Cash Equivalents as Consolidated Restated as appearing in ANNEXURE XVII to this report;
  - xviii. Details of Short Term loans and Advances as Consolidated Restated as appearing in ANNEXURE XVIII to this report;
  - xix. Details of Revenue from Operations as Consolidated Restated as appearing in ANNEXURE XIX to this report;
  - xx. Details of Other Income as Consolidated Restated as appearing in ANNEXURE XX to this report;
  - xxi. Details of Related Party Transactions as Consolidated Restated as appearing in ANNEXURE XXI to this report;
  - xxii. Summary of Significant Accounting Ratios as Consolidated Restated as appearing in ANNEXURE XXII to this report,
  - xxiii. Capitalisation Statement as at 31st March, 2017 as Consolidated Restated as appearing in ANNEXURE XXIII to this report;
  - xxiv. Statement of Tax Shelters as Consolidated Restated as appearing in ANNEXURE XXIV to this report;
  - xxv. Details of Contingent Liabilities as Consolidated Restated as appearing in ANNEXURE XXV to this report
8. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. In our opinion, the above financial information contained in Annexure I to XXII of this report read with the respective Significant Accounting Policies and Notes to Consolidated Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, SEBI ICDR Regulations, Engagement Letter and Guidance Note.

11. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For G. Krishnamurthy & Co.**  
**Chartered Accountants**  
**Firm Registration no. 006542S**

Sd/-  
**CA J.Madhava Rao**  
**Partner**  
**Membership No. 201205**  
**Hyderabad**  
**3<sup>rd</sup> August, 2017**



**ANNEXURE I**  
**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(₹ in lacs)

Sr. No.	Particulars	As at March 31,				
		2017	2016	2015	2014	2013
<b>A</b>	<b>EQUITY AND LIABILITIES</b>					
1	<b>Shareholders' funds</b>					
	(a) Share capital	540.25	108.05	108.05	108.05	108.05
	(b) Reserves and surplus	2,357.13	1,696.67	1,168.41	766.72	588.12
	Minority Interest	-	1.42	1.43	0.06	-
2	<b>Non-current liabilities</b>					
	(a) Long-term Borrowings	1,650.74	160.76	296.49	106.83	77.32
	(b) Deferred Tax Liabilities (Net)	(28.59)	32.59	28.20	0.68	0.76
	(c ) Other Long-term Liabilities	16.21	18.90	32.00	153.83	13.60
	(d) Long -term provisions	44.96	27.22	27.22	32.25	42.82
3	<b>Current liabilities</b>					
	(a) Short-term Borrowings	72.33	209.95	42.24	47.02	212.36
	b) Trade payables	547.98	46.05	23.70	62.60	21.69
	(c) Other current liabilities	266.30	483.88	415.37	249.78	187.57
	(d) Short-term provisions	(1.10)	78.85	194.76	149.45	50.75
	<b>TOTAL</b>	<b>5,466.21</b>	<b>2,864.34</b>	<b>2,337.87</b>	<b>1,677.27</b>	<b>1,303.04</b>
<b>B</b>	<b>ASSETS</b>					
1	<b>Non-current assets</b>					
	<b>(a) Fixed assets</b>					
	(i) Tangible assets	1,308.27	1,294.89	1,121.32	1,101.61	968.61
	(ii) Intangible assets	1,499.82	201.15	221.93	209.34	142.15
	Capital work in progress	-	-	-	-	-
	Goodwill on consolidation	86.36	-	-	-	-
	<b>TOTAL GROSS BLOCK</b>	<b>2,894.44</b>	<b>1,496.03</b>	<b>1,343.25</b>	<b>1,310.95</b>	<b>1,110.76</b>
	Less: Accumulated Depreciation	1,336.03	1,018.56	933.82	898.60	779.29
	<b>NET BLOCK</b>	<b>1,558.41</b>	<b>477.48</b>	<b>409.42</b>	<b>412.36</b>	<b>331.47</b>
	(b) Deferred Tax Assets (Net)					
	(c) Non Current Investments	74.37	51.49	30.56	10.74	-
	(d) Long-term loans and advances	154.73	272.26	202.57	200.96	223.74
	(e) Other non- current assets	-	-	-	-	-
2	<b>Current assets</b>					
	(a) Current Investments	-	-	-	-	-
	(b) Trade receivables	932.66	346.65	230.96	32.18	180.05
	(c) Cash and cash equivalents	2,175.01	1,637.27	1,394.64	945.90	473.36
	(d) Short-term loans and advances	118.24	34.06	37.49	66.00	90.13
	(e) Other current assets	452.80	45.13	32.26	9.12	4.29
	<b>TOTAL</b>	<b>5,466.21</b>	<b>2,864.34</b>	<b>2,337.87</b>	<b>1,677.27</b>	<b>1,303.04</b>

**ANNEXURE II**  
**STATEMENT OF PROFIT AND LOSS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Income</b>					
Revenue from operations	4,257.48	2,984.15	2,354.37	2,000.46	1,369.18
Other income	106.12	215.17	86.58	105.04	61.79
<b>Total Revenue(A)</b>	<b>4,363.60</b>	<b>3,199.32</b>	<b>2,440.95</b>	<b>2,105.50</b>	<b>1,430.97</b>
<b>Expenditure</b>					
Employee Benefit Expense	1,558.76	1,595.64	1,104.58	1,117.35	549.50
Other Operating Expenses	1,113.16	594.83	453.94	398.65	482.64
Depreciation and amortization expense	317.47	110.37	91.03	147.64	144.75

Financial costs	157.37	88.12	61.34	34.26	16.95
<b>Total Expenses(B)</b>	<b>3,146.76</b>	<b>2,388.96</b>	<b>1,710.89</b>	<b>1,697.90</b>	<b>1,193.84</b>
<b>Restated earnings before extraordinary items</b>	<b>1,216.84</b>	<b>810.36</b>	<b>730.06</b>	<b>407.60</b>	<b>237.12</b>
Prior period items (Net)	-	-	-	-	-
<b>Profit before exceptional, extraordinary items and tax (A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Exceptional Items	-	-	-	-	-
<b>Profit before extraordinary items and tax (A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Extraordinary Items	-	-	-	-	-
<b>Restated profit before tax</b>	<b>1,216.84</b>	<b>810.36</b>	<b>730.06</b>	<b>407.60</b>	<b>237.12</b>
<b>Tax expense:</b>					
(a) Current tax Expense	181.05	254.39	231.37	111.49	54.54
(b) Minimum alternate tax credit entitlement	-	-	-	-	(49.49)
(c) Deferred tax Expense / (Income)	(61.17)	4.39	27.51	(0.08)	13.50
(d) Earlier Year Taxes	-	-	1.72	(0.81)	-
<b>Total tax expense /(credit)</b>	<b>119.88</b>	<b>258.78</b>	<b>260.60</b>	<b>110.61</b>	<b>18.55</b>
<b>Profit / (Loss) after tax before Minority Interests</b>	<b>1,096.96</b>	<b>551.58</b>	<b>469.46</b>	<b>296.99</b>	<b>218.57</b>
Less: Minority Interests	2.17	(0.16)	1.06	-	-
Share of results of associate	-	-	-	-	-
<b>Restated profit for the year</b>	<b>1,094.79</b>	<b>551.74</b>	<b>468.40</b>	<b>296.99</b>	<b>218.57</b>

**ANNEXURE III**  
**STATEMENT OF CASH FLOW, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Cash Flow from operating activities</b>					
Profit Before Tax and share of associate	1,216.84	810.36	730.06	407.60	218.57
<b>Adjustments For:</b>					
Depreciation and Amortization Expense	317.47	110.37	91.03	147.64	144.75
Finance Costs	157.37	88.12	61.34	34.26	16.95
Interest Income	(95.53)	(109.73)	(75.06)	(35.94)	(7.07)
Loss on Sale of Vehicle	-	2.02	-	-	-
Gain On sale of software	-	(8.17)	-	-	-
Dividend Income	(4.38)	(2.93)	(1.82)	(0.24)	-
Credit Balances Written Off	-	-	(0.22)	-	-
Debit Balances Written Off	101.86	67.50	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>1,693.63</b>	<b>957.53</b>	<b>805.33</b>	<b>553.32</b>	<b>373.20</b>
<b>Movement in Working Capital:</b>					
Adjustments for (Increase) / Decrease in operating assets					
Long-term loans and advances	15.67	(69.69)	(1.61)	22.78	(85.61)
Trade Receivables	(586.00)	(183.20)	(198.77)	147.87	(31.13)
Short Term Loans & Advances	(100.69)	3.43	(10.65)	2.94	(70.78)
Other Current Assets	(407.68)	(12.87)	(23.14)	(4.83)	4.00
Adjustments for Increase / (Decrease) in operating liabilities					
Other Long Term Liabilities	(2.69)	68.50	(121.83)	140.23	13.60
Long Term Provisions	17.74	-	(5.03)	(10.57)	32.82
Trade Payables	501.93	22.34	(38.89)	40.91	17.06
Other Current Liabilities	(217.57)	(13.10)	165.81	62.21	117.95
Short Term Provision	(79.96)	-	-	-	30.73
<b>Cash Generated from Operations</b>	<b>834.37</b>	<b>772.95</b>	<b>571.22</b>	<b>954.86</b>	<b>401.85</b>

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Income Tax Paid	(181.05)	(266.13)	(152.24)	(110.61)	13.50
<b>Net Cash Flow from/ (used in) Operating Activities (A)</b>	<b>653.32</b>	<b>506.82</b>	<b>418.97</b>	<b>844.25</b>	<b>415.35</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Payments for Purchase of Fixed Assets & Goodwill others	(1,402.18)	(196.86)	(37.99)	(227.10)	(205.02)
Payments for Purchase of Mutual Funds	(22.87)	(20.93)	(19.82)	(10.74)	-
Interest Income	95.53	109.73	75.06	35.94	7.07
Income/Dividends from Long Term Investments	4.38	2.93	1.82	0.24	-
Change in Minority Interest	(1.42)	0.15	0.32	0.04	-
Sale of Software	-	24.59	-	-	-
<b>Net Cash Flow Used in Investing Activities (B)</b>	<b>(1,326.57)</b>	<b>(80.39)</b>	<b>19.39</b>	<b>(201.62)</b>	<b>(197.95)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Long Term Borrowings	1,489.98	(135.73)	189.67	29.51	71.86
Repayment of Short Term Borrowings	(137.62)	167.71	(4.77)	(165.35)	195.01
Issue of Equity Shares	-	-	-	-	-
Finance Costs Paid	(157.37)	(88.12)	(61.34)	(34.26)	(16.95)
Dividend and Dividend Distribution Tax Paid	-	(130.05)	(126.41)	-	-
<b>Net Cash Generated from Financing Activities (C)</b>	<b>1,194.99</b>	<b>(186.20)</b>	<b>(2.86)</b>	<b>(170.10)</b>	<b>249.91</b>
Effect of Exchange Differences on translation of foreign currency cash and Cash Equivalents	15.99	2.41	13.23	-	-
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>537.73</b>	<b>242.64</b>	<b>448.74</b>	<b>472.53</b>	<b>467.31</b>
<b>Cash &amp; Cash Equivalents as at beginning of the year</b>	<b>1,637.27</b>	<b>1,394.64</b>	<b>945.90</b>	<b>473.36</b>	<b>6.05</b>
<b>Cash &amp; Cash Equivalents As at end of the year</b>	<b>2,175.01</b>	<b>1,637.27</b>	<b>1,394.64</b>	<b>945.90</b>	<b>473.36</b>

#### ANNEXURE – IV RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS:

##### A. PRINCIPLES OF CONSOLIDATION

The Restated Consolidated Financial Statements relates to Cadsys (India) Ltd (‘the Company’) and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

1. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.
2. In case of foreign subsidiaries, being integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year except for the fixed assets which are consolidated at the historical rate. Any exchange difference arising on consolidation is recognized in Consolidated Statement of Profit & Loss.

3. Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of:
  - a. The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
  - b. The minority share of movements in equity since the date the parent subsidiary relationship came into existence.
4. Minority's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the Profit after Tax of the Group.

The list of subsidiary companies, joint ventures and associates which are included in the consolidation and the Group's holdings therein are as under:

**CADSYS (INDIA) INVESTMENT IN WHOLLY OWNED SUBSIDIARIES AND OTHER JOINT VENTURES**

(₹ in lacs)

S. N o.	Date of Remittan ce	Cadsys Technologies LLC, USA		Cad Technologies Australia Pty Ltd		Ametritech Engineering Solutions Inc, USA		Apex Advanced Technology LLC,USA		Apex Engineers (India) Pvt ltd
	Percentage of stake held by Cadsys(In dia) Limited	96.9%		100%		49%(not included in consolidation)		100%		80%
		Investmen t in WO S	INR Valu e	Investment in WOS	INR Valu e	Investm ent in JV	INR Value	Investment in WOS	INR Value	INR Value
		US\$	Rs.	AU\$	Rs.	US\$	Rs.	US\$	Rs.	Rs.
1	24.06.2009	0.20	9.71	-		-		-		
2	13.04.2011	0.37	16.38	-		-		-		
3	23.11.2012	-		0.50	26.10	-		-		
4	27.02.2012	-		-		0.50	25.00	-		
5	05.09.2012	-		-		0.90	45.00	-		
6	10.09.2012	0.05	2.50	-		-		-		
7	29.10.2012	-				0.30	15.00	-		
8	26.12.2012	-		0.30	15.61	-		-		
9	26.12.2012	-		-		0.30	15.00	-		
10	13.04.2016	-		-		-		19.00	1,263.89	
11	12.11.2016									0.80
	TOTAL	0.62	28.59	0.80	41.71	2.00	100.00	19.00	1,263.89	0.80

**NOTE:**

- 1) Total Investments in **Ametritech Engineering Solutions Inc, USA** and **Cad Technologies Australia Pty Ltd** have been written off in the financial year 2016-17.
- 2) Since Ametrictech Engineering Solutions Inc, USA is a Joint Venture, it has not been considered for consolidation.

**B. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of preparation of Financial Statements:**

The restated summary statement of assets and liabilities of the Company as at March 31, 2017, March 31, 2016, 2015, 2014 and 2013 and the related restated summary statement of profits and loss and cash flows for the period / years ended March 31, 2017, March 31, 2016, 2015, 2014 and 2013 (herein collectively referred to as ('Restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the period /years ended on March 31, 2017, March 31, 2016, 2015, 2014 and 2013, approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI Guidelines) issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of NSE in connection with its proposed Initial public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

**2. Use of Estimates:**

The preparation of restated financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**3. Current and non-current classification:**

All the Assets and Liabilities have been classified as current and non-current based on the normal operating cycle of the Company and other criteria laid down in Schedule III of the Companies Act, 2013. Based on the nature of products / services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**4. Revenue Recognition:**

Sale of traded goods/material is recognized as revenue when significant risk and rewards of ownership relating to the goods are transferred to the buyer.

**5. Fixed Assets and Depreciation:**

Fixed assets are carried at cost of acquisition or construction, less accumulated depreciation and adjusted for revaluation/impairment loss, if any. All Cost including any cost attributable in bringing the assets to their working condition for their intended use is capitalized. Expenditure on additions, improvement and renewable is capitalized.

Depreciation on fixed assets is calculated on written down value basis using the rates arrived at based on the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 for the period / year ended on March 31, 2017, 2016 and 2015. For the year ended on March 31, 2014 and 2013 depreciation has been charged on written down value basis using the rates prescribed under Schedule XIV of the Companies Act, 1956.

## **6. Impairment of Assets:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## **7. Valuation of Investments:**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current Investments are carried at the lower of cost or quoted / fair value computed scrip wise, Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

## **8. Employee Benefits:**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered. Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss in the year in which actual payment is made to the employee.

## **9. Provision for Current Tax and Deferred Tax:**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from the timing differences between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in the future.

## **10. Contingent Liabilities / Provisions:**

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts. Provision is made in the accounts in respect of contingent liabilities which is likely to materialize into liabilities after the year end, till the finalization of accounts and which have material effect on the position stated in the Balance Sheet.

## **11. Earning Per Share:**

Basic earning per share is computed by dividing the net profit for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

## **12. Revaluation of Assets**

The company assesses at each balance sheet date whether there is any indication due to external factors that an asset or group of assets comprising a cash generating unit (CGU) may be revalued. If any such indication exists, then the revaluation of the value of assets is done by certified valuer. If such recoverable amount of the asset or the recoverable amount of the CGU, to which the asset belongs is more than the carrying amount of the asset or the CGU as the case may be, the carrying amount is increased to its recoverable amount and the addition is treated as addition in the value of asset and is recognized in the Revaluation reserve under Reserves and Surplus. If at any subsequent balance sheet date, there is an indication that a previously assessed revaluation no longer exists, the recoverable amount is re assessed and the asset is reflected at recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

## **13. Foreign Currency Transactions:**

Foreign Currency Transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year end are adjusted at the year end exchange rates. Any gain or loss arising on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of Long Term Liabilities.

### ***Presentation and disclosure of financial statements***

During the year ended 31 March 2012, the Revised Schedule VI notified under the Act, had become applicable to the Company, for preparation and presentation of its financial statements. Accordingly, the Company has prepared the financial statements for the year ended 31 March 2012 onwards in accordance with Revised Schedule VI of the Act. The adoption of Revised Schedule VI of the Act does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the years ended 31 March 2011 in accordance with the requirements of Revised Schedule VI of the Act, to the extent possible.

### ***Material regroupings***

W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from April 1, 2011, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. The Company has reclassified the figures for the previous financial year ended March 31, 2011 in accordance with the requirements of Schedule III. Appropriate adjustments have been made in the Standalone restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

### **ANNEXURE V**

#### **DETAILS OF SHARE CAPITAL, AS RESTATED**

Particulars	As at March 31, 2017				
	2017	2016	2015	2014	2013
<b>EQUITY SHARE CAPITAL:</b>					
<b>AUTHORISED:</b>					
Equity Shares of ₹ 10 Each	850.00	365.00	365.00	365.00	350.00
<b>ISSUED CAPITAL</b>					
Equity Shares of ₹ 10 Each	<b>540.25</b>	<b>108.05</b>	<b>108.05</b>	<b>108.05</b>	<b>108.05</b>
<b>SUBSCRIBED AND FULLY PAID UP</b>					
Equity Shares of ₹ 10 Each	540.25	108.05	108.05	108.05	108.05
<b>SUBSCRIBED BUT NOT FULLY PAID UP</b>					
Equity Shares of ₹ 10 Each, 5 Paid up					
<b>TOTAL</b>					
<b>RECONCILIATION OF NUMBER OF SHARES</b>					
<b>OUTSTANDING AT THE END OF THE YEAR:</b>					
Equity Shares at the beginning of the year	10.81	10.81	10.81	10.81	10.81
Add: Bonus Shares issued during the year	43.22				
Less: Shares Forfeited during the year					
<b>Equity Shares at the end of the year</b>	<b>54.03</b>	<b>10.81</b>	<b>10.81</b>	<b>10.81</b>	<b>10.81</b>

**DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES OF THE COMPANY:**

Name of the Share Holders	As at March 31,									
	2017		2016		2015		2014		2013	
	Number of shares	% Held	Number of shares	% Held	Number of shares	% Held	Number of shares	% Held	Number of shares	% Held
Padmaja N.C	1,296,600	24.00	559,800	51.81	559,800	51.81	559,800	51.81	559,800	51.81
Rangacharya NCV	1,890,875	35.00	275,100	25.46	275,100	25.46	275,100	25.46	275,100	25.46
Pushpavathi N.C	-	-	140,200	12.98	140,200	12.98	140,200	12.98	140,200	12.98
B.Shailaja	1,502,400	27.81	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4,689,875</b>	<b>86.81</b>	<b>975,100</b>	<b>90.25</b>	<b>975,100</b>	<b>90.25</b>	<b>975,100</b>	<b>90.25</b>	<b>975,100</b>	<b>90.25</b>

**ANNEXURE – VI  
DETAILS OF RESERVES AND SURPLUS, AS RESTATED**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
(₹ in lacs)					
<b>(a) Security Premium Account</b>					
Opening balance	8.00	8.00	8.00	8.00	8.00
Add: Additions during the year					
Less: Utilized / transferred during the year					
<b>Closing balance (A)</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>
<b>(b) General reserve</b>					
Opening balance	177.80	127.80	77.80	27.80	27.80
Add: Transferred from surplus in Statement of Profit and Loss	-	50.00	50.00	50.00	-
Less: Utilized / transferred during the year	-	-	-	-	-
<b>Closing balance (B)</b>	<b>177.80</b>	<b>177.80</b>	<b>127.80</b>	<b>77.80</b>	<b>27.80</b>
<b>(c) Capital reserve on Consolidation</b>					
Excess of Net assets acquired over investment made	-	-	-	8.04	-
<b>Closing balance (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.04</b>	<b>-</b>
<b>(d) Surplus / (Deficit) in Statement of Profit and Loss</b>					
Opening balance	1,495.14	1,019.38	672.88	552.81	769.23
Add/(Less) : (Profits)/ Loss Relating to Minority Interest*	(39.28)	-	-	-	(435.09)
Add: Depreciation Adjusted with reserves as per Sch II of Companies Act,2013	-	-	57.06	-	-
Less: Transferred to Share Capital against fully paid Bonus Shares	(432.20)	-	-	-	-
Add: Profit / (Loss) for the year	1,094.79	551.74	468.40	296.49	218.57
Less: Proposed Dividend	-	(21.61)	(108.05)	(108.05)	-
Less: Dividend Distribution Tax	-	(4.40)	(22.00)	(18.36)	-
Less: Minority Interest	21.16	0.02	1.09	(0.43)	-
Less: Transfer to General Reserve	-	(50.00)	(50.00)	(50.00)	-
<b>Closing balance (D)</b>	<b>2,139.60</b>	<b>1,495.14</b>	<b>1,019.38</b>	<b>672.88</b>	<b>552.31</b>
<b>(e) Foreign Currency Translation Reserve</b>					
Closing balance (E)	31.72	15.74	13.23	-	-
<b>Total(A+B+C+D+E)</b>	<b>2,357.13</b>	<b>1,696.00</b>	<b>1,168.00</b>	<b>766.00</b>	<b>588.12</b>



**ANNEXURE – VII**  
**DETAILS OF LONG TERM BORROWINGS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Term Loans</b>					
<b>Secured</b>					
<b>From Banks</b>					
Term loan From Canara Bank	-	-	38.00	78.00	38.96
Canara Bank Loan A/c Against FD's	1,051.19	-	-	-	-
<b>Long term maturities of finance lease obligations</b>					
Hewlett Packard Financial Services (India) Pvt Ltd	43.35	44.01	27.96	14.88	-
Vehicle Loan -Tata Capital	0.35	0.35	2.25	3.89	5.31
Vehicle Loan –Daimler	30.41	30.41	-	1.26	3.58
<b>Unsecured</b>					
<b>From Banks</b>					
Standard Chartered Bank	14.31	14.24	37.79	2.15	13.71
RBL Bank	-	9.55	21.83	-	-
HDFC Bank	7.04	7.04	17.65	-	-
Kotak Mahindra Bank	-	-	13.11	-	-
<b>From Other Parties</b>					
Fullerton	13.52	13.52	31.02	2.06	9.44
Capital First Ltd	10.83	10.83	24.83	-	-
Bajaj Finance	9.84	9.84	24.36	-	4.49
Magma Fincorp Ltd	9.72	9.72	22.03	-	-
Ratnakar Bank Ltd – ICD	9.55	-	-	-	-
Religare Finvest Ltd	8.22	8.22	18.75	-	-
Tata Capital	-	-	16.91	4.60	1.83
Share Application money pending Allotment	39.94	-	-	-	-
N C V Rangacharya	28.89	3.03			
N C Padmaja	49.40		-	-	-
Others	324.19	-	-	-	-
<b>Total</b>	<b>1,650.74</b>	<b>160.76</b>	<b>296.49</b>	<b>106.83</b>	<b>77.32</b>

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS**

Nature of Security	Terms of Repayment
<b>Term Loan From Banks</b>	
Term Loan sanctioned by Canara Bank on 12.02.2013 for Rs.138.00 Lakhs Interest @13% against purchase of Servers, Computers, Software Licenses, Air Conditioners, Generator etc	Loan repayable in 14 Quarters and for 13 Quarters @ Rs.10 Lakhs each and in 14th Qtr Rs.8 Lakhs
In the year 2016 Rs.10,51,19,094 this amount has been taken by us against pledge of company fixed deposits and the rate of interest @ 10.80%	No repayment was fixed as the amount has been taken against fixed deposits.
Vehicle Loan from Banks: Loan taken from HDFC against purchase of Toyota Corolla on 12.10.2010 for Rs.10,12,000/- Interest @10.51%	The monthly EMI of Rs.21566/- starts from 08.10.2010 to 07.09.2015
Vehicle Loan from Tata Capital Finance Ltd: Transfer of loan sanctioned for Rs.7,50,000/- on 06.06.2012 against purchase of Innova Car on Interest @	The monthly EMI of Rs.17,622/- starts from 31.05.2010 to 03.05.2017
2013-14 Loan taken from Hewlett Packard Financial services India Pvt Ltd in the year 2013-14 against purchase of Computers as follows.26.12.2013 for Rs.12,21,911/- in schedule No.1 and Schedule No.2 on 26.12.2013 for Rs.9,03,700/- Schedule No.3 on 26.12.2013 for Rs.1,36,000/- and Schedule No.4 on 26.12.2013 for	EMI for Each quarter for Schedule No.1 Rs.1,23,647.62 from 01.02.2014 to 01.11.2016 and EMI for Schedule No.2 Rs.92,105.10 from 01.03.2014 to 01.12.2016 and EMI

<b>Nature of Security</b>	<b>Terms of Repayment</b>
<b>Term Loan From Banks</b>	
Rs.54,86,250/- interest @14.98%, 15.57,14.98%, and 13.99% respectively	for Schedule 3 Rs.13,762.11 from 01.03.2014 to 01.12.2016 EMI for Schedule No.4 Rs.5,48,493.59 from 01.05.2014 to 01.02.2017
Loan from Fullerton India Credit Company Rs.20,00,000/- interest @ loan taken on 25.05.2012 in 2012-13	EMI Rs.74,006/- from 03.07.2012 to 03.06.2015
Loan from Standard Chartered Bank Rs.30,00,000/- interest @ 19% loan taken on 30.04.2012 in 2012-13	EMI Rs.1,09,969/- from 10.06.2012 to 10.05.2015
Loan from Tata Capital Finance Services Ltd Rs.25,00,000/- interest @ loan taken on 30.04.2012 in 2012-13	EMI Rs.1,09,969/- from 10.06.2012 to 10.05.2015
Loan from Bajaj Finance Ltd Rs.25,45,000/- interest @ % loan taken on 27.11.2012 in 2012-13	EMI Rs.1,64,211/- from 05.01.2013 to 05.06.2014
Loan from Bajaj Finance Ltd Rs.40,72,000/- on 04.10.2014 int @ in 2014-15	EMI Rs.1,49,779/- from 02.11.2014 to 02.10.2017
Loan from Ratnakar Bank Ltd Rs.35,00,000/- interest @ 19 % loan taken on 31.10.2014 in 2014-15	EMI Rs.1,28,297/- from 05.12.2014 to 05.11.2017
Loan from HDFC Bank Ltd Rs.30,00,000/- interest @ 19 % loan taken on 17.10.2014 in 2014-15	EMI Rs.1,06,213/- from 04.11.2014 to 04.10.2017
Loan from Kotak Mahindra Bank Ltd Rs.35,00,000/- interest @ 19 % loan taken on 30.10.2014 in 2014-15	EMI Rs.1,75,157/- from 01.12.2014 to 30.11.2016
Loan from Magma Fincorp Ltd Rs.35,00,000/- interest @ 19 % loan taken on 31.10.2014 in 2014-15	EMI Rs.1,30,966/- from 07.12.2014 to 07.11.2017
Loan from Religare Finvest Ltd Rs.30,00,000/- interest @ 19% loan taken on 06.11.2014 in 2014-15	EMI Rs.1,10,363/- from 01.12.2014 to 01.11.2017
Loan from Capital First Ltd Rs.40,00,000/- interest @ 19 % loan taken on 26.11.2014 in 2014-15	EMI Rs.1,44,610/- from 05.12.2014 to 05.11.2017
Loan from Fullerton Credit company Ltd Rs.50,00,000/- interest @ 19 % loan taken on 21.10.2014 in 2014-15	EMI Rs.1,80,762/- from 05.11.2014 to 05.10.2017
Loan from Tata Capital Finance Ltd Rs.45,00,000/- interest @ 18.30 % loan taken on 25.10.2014 in 2014-15	EMI Rs.2,26,293/- from 03.12.2014 to 03.11.2016
Loan from Standard Chartered Bank Rs.60,00,000/- interest @ 18.30 % loan taken on 24.10.2014 in 2014-15	EMI Rs.2,60,915/- from 10.11.2014 to 10.10.2017
Loan taken from Hewlett Packard Financial services India Pvt Ltd on 02.03.2015 in the year 2014-15 against purchase of Computers vide schedule No.5 for Rs.80,22,458/- interest @14.50%,	EMI Rs.8,49,352/- from 01.07.2015 to 01.04.2018
Loan taken from Daimler Financial services India Pvt Ltd on 03.07.2015 for Rs.35,04,651/- in the year 2015-16 against purchase of BENZ Car int @10.9745	EMI Rs.53,304/- from 02.08.2015 to 02.07.2020
Loan taken from Hewlett Packard Financial services India Pvt Ltd on 11.08.2015 in the year 2015-16 against purchase of Computers vide schedule No.6 for Rs.1,24,000 interest @14.62%,	EMI Rs.14,334/-/- from 01.11.2015 to 01.08.2018
Loan taken from Hewlett Packard Financial services India Pvt Ltd on 11.08.2015 in the year 2015-16 against purchase of Computers vide schedule No.7 for Rs. 90,000 interest @14.62%,	EMI Rs.9,542/- from 01.11.2015 to 01.08.2018
Unsecured Loans from Related Parties and Others carries Nil rate of Interest and the terms of repayment are not fixed.	

#### ANNEXURE – VIII

#### DETAILS OF DEFERRED TAX ASSET/(LIABILITY), AS RESTATED

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Deferred tax liability</b>					
Related to fixed assets	1.34	56.24	42.34	13.96	13.47
<b>Deferred tax assets</b>					
Disallowances under the Income tax act' 1961	(29.92)	(23.65)	(14.15)	(13.28)	(12.71)
<b>Deferred tax Liability (Net)</b>	<b>(28.59)</b>	<b>32.59</b>	<b>28.20</b>	<b>0.68</b>	<b>0.76</b>

**ANNEXURE – IX**  
**DETAILS OF LONG TERM PROVISIONS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2107	2016	2015	2014	2013
<b>Provision for Employee retirement benefits</b>					
Provision for Gratuity	44.96	27.22	27.22	32.25	32.82
Rent Deposit (Inteq) Sublease	-	-	-	-	10.00
<b>Total</b>	<b>44.96</b>	<b>27.22</b>	<b>27.22</b>	<b>32.25</b>	<b>42.82</b>

**ANNEXURE –X**  
**DETAILS OF SHORT TERM BORROWING, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Loans Repayable on Demand</b>					
<b>From Banks</b>					
<b>Secured</b>					
Over Draft from Canara Bank	60.38	209.95	42.24	47.02	212.36
Citibank-Credit Card	1.99				
Suntrust Bank ZBA	9.96				
<b>Total</b>	<b>72.33</b>	<b>209.95</b>	<b>42.24</b>	<b>47.02</b>	<b>212.36</b>

**ANNEXURE – XI**  
**DETAILS OF TRADE PAYABLES, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Dues to Micro, Small and Medium Micro Enterprises					
<b>Others</b>					
Trade Payables	547.98	46.05	23.70	62.60	21.69
<b>Total</b>	<b>547.98</b>	<b>46.05</b>	<b>23.70</b>	<b>62.60</b>	<b>21.69</b>

**ANNEXURE -XII**  
**DETAILS OF OTHER CURRENT LIABILITIES, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Current Maturities of Long Term Debt	-	181.16	172.80	82.26	67.26
Current Maturities of Finance Lease Obligations	-	57.91	28.84	10.43	3.31
<b>Employee Benefits Payable</b>					
Bonus Payable	35.06	44.31	16.38	8.69	6.35
Provident Fund Payable					2.91
ESI Payable					1.59
Employee Recreation Fund	4.02	4.07	3.38	3.28	3.21
Employee Benefits Payable	26.74	2.47	11.80	2.42	-
Director Remuneration Payable	0.78	5.21	22.91	1.54	1.94
Salaries Payable	87.78	89.96	78.71	72.34	49.02
Accrued Expenses	25.21				
<b>Statutory Liabilities Payable</b>					
Professional Tax Payable	1.65	0.17	0.14	0.17	0.31
PF Payable	7.95	7.00	4.21	3.27	-
TDS Payable	19.50	7.47	14.07	5.08	3.00

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Interest on TDS Payable	-	-	-	0.22	0.05
ESI Payable	2.30	3.18	1.68	1.71	-
ASIC Payable	0.14	0.02	-	-	-
Service Tax Payable	6.86	-	-	-	-
<b>Other Payables</b>					
Adv from Byers Engineering Co	-	33.17	-	-	-
Conveyance Payable	0.04	0.24	1.20	-	-
Rent Payable	14.09	11.39	5.26	5.23	4.60
Electricity Charges Payable	10.07	9.76	6.99	6.40	5.79
Telephone Charges Payable	0.24	0.16	0.16	0.13	0.19
Maintenance Charges Payable	0.91	0.95	0.20	0.20	0.27
Audit Fee Payable	3.73	3.14	2.47	1.24	1.16
Secretarial Audit Fee Payable	0.07	0.07	0.07	0.13	0.07
Expenses Payable	0.57	22.09	44.11	45.05	36.54
Culligence Software India Pvt. Ltd	15.00	-	-	-	-
Damodhar A	0.07	-	-	-	-
Eureka Forbes Limited	0.03	-	-	-	-
K.Rupa Reddy-Property Tax	2.61	-	-	-	-
Earned Leaves Amount Payable	0.07	-	-	-	-
Subshine Dealin Tax & Co	0.11	-	-	-	-
Office Equipment	0.07	-	-	-	-
Office Expenses	0.03	-	-	-	-
Office Expenses Payable	0.59	-	-	-	-
<b>Total</b>	<b>266.30</b>	<b>483.90</b>	<b>415.38</b>	<b>249.79</b>	<b>187.57</b>

#### ANNEXURE – XIII

##### DETAILS OF SHORT TERM PROVISIONS, AS RESTATED

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Provision for Proposed Dividend	-	21.61	108.05	108.05	-
Provision for Dividend Distribution Tax	-	4.40	22.00	18.36	-
Provision for Income Tax (Net of TDS & Advance Tax)	(1.10)	52.85	64.71	23.04	50.75
<b>Total</b>	<b>(1.10)</b>	<b>78.85</b>	<b>194.76</b>	<b>149.45</b>	<b>50.75</b>

#### ANNEXURE XIV

##### DETAILS OF FIXED ASSETS, AS RESTATED

##### Fixed Assets statement for the financial year 2016-17

(₹ in lacs)

			GROSS BLOCK			DEPRICIATION				NET BLOCK			
S. No	DESCRIPTION	As at 01-04-2016	Additions during the year	Translation on Exchange Difference	Deletions	As on 31-03-2017	Up to 01.04.2016	During the Year till 31/03/2017	Deletions	As on 31-03-2017	As on 31-03-2017	As on 31-03-2016	Useful Life in Yrs
	<b>Tangible Fixed Assets</b>												
1	Furniture &	171.72	0.13	-	-	171.85	129.09	8.96	-	138.05	33.80	42.64	10

Fittings												
2	Computer	759.30	4.82	0.01	-	192.28	679.62	84.52	1.96	27	3	
3	Servers	40.84	1.00	-	-	7.13	25.17	16.67	22.80		6	
4	Electric Equipm ent	50.29	-	-	-	2.26	50.22	0.07	2.34		10	
5	Office Equipm ent	56.90	5.85	-	-	6.37	48.33	14.42	14.94		5	
6	Vehicle	62.96	-	-	-	7.96	17.42	45.54	53.50		8	
7	Air conditio ner	23.84	1.15	-	-	1.56	19.80	5.19	5.60		10	
8	Generat or	33.94	-	-	-	2.99	23.13	10.81	13.80		10	
9	U.P.S	39.44	-	-	-	6.08	25.44	13.99	20.07		5	
10	Commu nication Equipm ent	48.44	0.42	-	-	13.31	40.07	8.78	21.68		5	
11	Land	7.21	-	-	-	-	-	7.21	7.21		-	
						1,308.27	818.36	248.90	-	1,067.26	241.00	6.52
Total		1,294.89	13.37	0.01	-							
Intangible Fixed Assets												
12	Software	201.15	75.65	5.03	-	281.83	200.20	68.57	-	268.76	13.07	0.95
13	Purchase Goodwill	-	1,217.98	-	-	1,217.98	-	-	-	1,217.98	-	-
		201.15	1,293.63	5.03	-	1,499.82	200.20	68.57	-	268.76	1.23	0.95
Total		15.63		5.03	-	9.82	0	68.57	-	76	1.05	5

#### Fixed Asset Statement for Financial Year 2015-16

(₹ in lacs)

Tangible Fixed Assets												
S. No	DESCRIPTION	As at 01-04-2015	Additions during the year	Deletions	As on 31-03-2016	Up to 01.04.2015	During the Year till 31/03/2016	Deletions	As on 31-03-2016	As on 31-03-2016	As on 31-03-2015	Useful Life in Yrs
1	Furniture & Fittings	170.00	1.72	-	171.72	111.30	17.79	-	129.09	42.64	58.70	10
2	Computer	655.45	103.85	-	759.30	457.50	29.84	-	487.34	271.96	197.95	3
3	Servers	40.84	-	-	40.84	11.20	6.84	-	18.03	22.80	29.64	6

4	Electrical Equipment	50.29	-	-	50.29	40.26	7.70	-	47.96	2.34	10.04	10
5	Office Equipment	47.75	9.15	-	56.90	37.24	4.72	-	41.96	14.94	10.51	5
6	Vehicle	23.58	52.82	13.43	62.96	9.54	6.84	6.91	9.47	53.50	14.04	8
7	Air conditioner	22.72	1.12	-	23.84	16.18	2.06	-	18.24	5.60	6.54	10
8	Generator	33.71	0.23	-	33.94	15.66	4.49	-	20.15	13.80	18.06	10
9	U.P.S	26.78	12.65	-	39.44	13.11	6.25	-	19.36	20.07	13.67	5
10	Communication Equipment	42.98	5.46	-	48.44	25.45	1.31	-	26.76	21.68	17.54	5
11	Land	7.21	-	-	7.21	-	-	-	-	7.21	7.21	-
	<b>Total</b>	<b>1,121.32</b>	<b>187.00</b>	<b>13.43</b>	<b>1,294.89</b>	<b>737.43</b>	<b>87.84</b>	<b>6.91</b>	<b>818.36</b>	<b>476.52</b>	<b>383.89</b>	
<b>Intangible Fixed Assets</b>												
12	Software	221.93	2.87	23.65	201.15	196.39	22.52	18.72	200.20	0.95	-	
	<b>Total</b>	<b>221.93</b>	<b>2.87</b>	<b>-</b>	<b>201.15</b>	<b>196.39</b>	<b>22.52</b>	<b>18.72</b>	<b>200.20</b>	<b>0.95</b>		

#### Fixed Asset Statement for Financial Year 2014-15

(₹ in lacs)

S. No	DESCRIPTION	As at 01-04-2014	Additions during the year	Transl on Excha nge Differe nce	As on 31-03-2015	Up to 01.04. 2014	Durin g the Year till 31/03/ 2015	Adju sted again st Reser ves	As on 31-03-201 5	As on 31-03-201 5	As on 31-03-201 4	Use ful Life in Yrs
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Tangible Fixed Assets</b>												
1	Furniture & Fittings	166.68	3.33	-	170.00	90.73	18.27	2.30	111.30	58.70	75.95	10
2	Computer	650.53	4.92	-	655.45	555.99	4.65	103.14	457.50	197.95	94.54	3
3	Servers	33.01	7.83	-	40.84	5.34	5.86	-	11.20	29.64	27.67	6
4	Electrical Equipment	50.29	-	-	50.29	25.81	8.66	5.78	40.26	10.04	24.48	10
5	Office Equipment	45.52	2.23	-	47.75	19.15	7.55	10.54	37.24	10.51	26.37	5
6	Vehicle	23.58	-	-	23.58	6.19	3.35	-	9.54	14.04	17.39	8
7	Air conditioner	22.25	0.47	-	22.72	10.90	2.81	2.47	16.18	6.54	11.34	10

r												
8	Generator	33.71	-	-	33.71	10.10	4.49	1.07	15.66	18.06	23.61	10
9	U.P.S	26.32	0.46	-	26.78	8.44	4.68	-	13.11	13.67	17.88	5
10	Communication Equipment	42.51	0.47	-	42.98	12.62	1.80	11.02	25.45	17.54	29.89	5
11	Land	7.21	-	-	7.21	-	-	-	-	7.21	7.21	-
<b>Total</b>		<b>1,101.61</b>	<b>19.70</b>	<b>-</b>	<b>1,121.32</b>	<b>745.28</b>	<b>62.11</b>	<b>-69.96</b>	<b>737.43</b>	<b>383.89</b>	<b>356.33</b>	
<b>Intangible Fixed Assets</b>												
12	Software	210.73	14.03	(2.83)	221.93	154.57	28.92	12.90	196.39	25.54	29.63	
<b>Total</b>		<b>210.73</b>	<b>14.03</b>	<b>(2.83)</b>	<b>221.93</b>	<b>154.57</b>	<b>28.92</b>	<b>12.90</b>	<b>196.39</b>	<b>25.54</b>	<b>29.63</b>	

#### Fixed Asset Statement for Financial Year 2013-14

(₹ in lacs)

GROSS BLOCK							NET BLOCK			
S. No	DESCRIPTION	As at 01-04-2013	Additions during the year	As on 31-03-2014	Up to 01.04. 2013	During the Year till 31/03/2014	As on 31-03-2014	As on 31-03-2014	As on 31-03-2013	Rate of Depn( %)
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Tangible Fixed Assets										
1	Furniture & Fittings	162.11	4.57	166.68	80.26	10.47	90.73	75.95	81.85	6.33
2	Computer	552.36	131.18	683.54	461.60	99.73	561.33	122.21	90.75	16.21
3	Electrical Equipment	47.34	2.96	50.29	23.53	2.28	25.81	24.48	23.80	4.75
4	Office Equipment	41.29	4.23	45.52	17.11	2.04	19.15	26.37	24.18	4.75
5	Vehicle	23.58	-	23.58	3.95	2.24	6.19	17.39	19.63	9.50
6	Air conditioner	22.11	0.13	22.25	9.85	1.06	10.90	11.34	12.26	4.75
7	Generator	33.71	-	33.71	8.50	1.60	10.10	23.61	25.21	4.75
8	U.P.S	13.81	12.51	26.32	7.63	0.81	8.44	17.88	6.18	4.75
9	Communication Equipment	38.08	4.44	42.51	10.66	1.96	12.62	29.89	27.41	4.75
10	Land	7.21	-	7.21	-	-	-	7.21	7.21	0.00
Total		941.60	160.02	1,101.61	623.10	122.18	745.28	356.33	318.50	
Intangible Fixed Assets										
		-	-	-	-	-	-	-	-	
11	Software	142.15	67.19	209.34	129.21	24.11	153.32	56.02	0.04	100
Total		142.15	67.19	209.34	129.21	24.11	153.32	56.02	0.04	

**ANNEXURE –XV**
**DETAILS OF NON-CURRENT INVESTMENTS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Canara Bank Robeco Mutual Fund	73.88	51.49	30.56	10.74	-
Cadsys Technologies LLC USA (Investment)					
Cadsys Technologies LLP	0.49	-	-	-	-
<b>Total</b>	<b>74.37</b>	<b>51.49</b>	<b>30.56</b>	<b>10.74</b>	<b>-</b>

**ANNEXURE – XVI**
**DETAILS OF TRADE RECEIVABLES, AS RESTATED**

(₹ in lacs)

Particulars	2017	2016	2015	2014
<b>Trade receivables</b>				
Unsecured, considered good				
More than six months	-	16.57	-	-
Others	932.66	330.08	230.96	32.18
<b>Total</b>	<b>932.66</b>	<b>346.65</b>	<b>230.96</b>	<b>32.18</b>

**ANNEXURE – XVII**
**DETAILS OF CASH & CASH EQUIVALENTS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
(a) Cash on hand	1.25	1.22	1.19	0.19	0.08
(b) Balances with banks					
(i) In current accounts	796.98	64.48	92.61	52.82	157.11
(ii) In EEFC accounts	-	22.76	67.56	205.01	37.16
(iii) In Fixed deposit accounts (period of maturity within one year)	1,376.78	1,548.81	1,233.28	687.88	279.02
<b>Total</b>	<b>2,175.01</b>	<b>1,637.27</b>	<b>1,394.64</b>	<b>945.90</b>	<b>473.36</b>

**ANNEXURE – XVIII**
**DETAILS OF SHORT TERM LOAN AND ADVANCES, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
(a) Loans and advances to employees	-	0.03	3.00	0.03	0.34
(b) Board of Apprenticeship	-	-	-	-	-
(c) Others					
Prepaid Expenses	68.81	11.62	10.40	3.51	3.03
Advance to Employees	0.63	-	-	-	-
Other Advances	15.65	11.47	13.04	12.57	15.68
Mat credit entitlement	-	-	-	38.14	49.49
Advance Tax	-	-	-	-	-
Mastishk Support group	10.00	-	-	-	-
Service Tax Refundable	-	-	-	-	-
TDS & Refund receivables	22.81	10.60	10.72	11.76	21.60
Input GST	0.33	0.34	0.32	-	-
<b>Total</b>	<b>118.24</b>	<b>34.06</b>	<b>37.49</b>	<b>66.00</b>	<b>90.13</b>



**ANNEXURE XIX**  
**DETAILS OF REVENUE FROM OPERATIONS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
<b>Revenue from operations</b>					
Sale of Services	4,275.66	2,984.15	2,354.37	2,000.46	1,369.18
Unbilled Revenue	(18.15)				
Sales Returns	(0.04)				
<b>Total</b>	<b>4,257.48</b>	<b>2,984.15</b>	<b>2,354.37</b>	<b>2,000.46</b>	<b>1,369.18</b>

**ANNEXURE XX**  
**DETAILS OF OTHER INCOME, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Interest Income	95.53	109.73	75.06	35.94	7.07
Income from Sub -Rental	-	0.53	6.48	12.95	47.73
Miscellaneous income	7.47	26.30	3.00	0.04	2.29
Gain On sale of software	-	8.17	-	-	-
Dividend from Mutual Funds	-	2.93	1.82	0.24	-
Discount	3.12	-	0.22	-	-
Debit balances written off recovered	-	67.50	-	55.88	4.70
<b>Total</b>	<b>106.12</b>	<b>215.17</b>	<b>86.58</b>	<b>105.04</b>	<b>61.79</b>

**ANNEXURE XXI**  
**DETAILS OF RELATED PARTY TRANSACTIONS, AS RESTATED**

(₹ in lacs)

Nam e	Natu re of Relat ionsh ip	Natur e of Trans action	Amo unt of tran sacti on duri ng the year ende d Mar ch 31, 2017	Amo unt Outst andin g durin g the year ende d Marc h 31, 2017	Amo unt of tran sacti on duri ng the year ende d Mar ch 31, 2016	Amo unt Outst andin g durin g the year ende d Marc h 31, 2016	Amo unt of tran sacti on duri ng the year ende d Mar ch 31, 2015	Amo unt Outst andin g durin g the year ende d Marc h 31, 2015	Amo unt of trans action durin g the year ende d Mar ch 31, 2014	Amo unt Outst andin g durin g the year ende d Marc h 31, 2014	Amo unt of tran sacti on duri ng the year ende d Mar ch 31, 2013	Amo unt Outst andin g durin g the year ende d Marc h 31, 2013
N.C. V. Rang achar ya	Mana ging Direc tor	Mana gerial Remu nerati on	60.00		60.00	3.00	30.00	9.30	18.00	0.68	18.00	1.06
N.C.P admaj a	Whol e time Direc tor	Mana gerial Remu nerati on	36.00	0.78	36.00	2.21	30.00	13.62	12.00	0.86	12.00	0.88
N.C. V. Rang achar	Mana ging Direc tor	Unsec ured Loan	27.00	28.89	3.03	-	-	-	-	-	20.50	-

ya												
N.C.P adma	Whole time Director	Unsecured Loan	50.00	49.40	-	-	-	-	-	-	0.70	0.70
Ipowerfour Technologies Pvt Ltd	Software development	Advance against software development	-	-	-	-	-	-	-	-	12.41	10.31
Compu sonic Technologies	Designing Studio		-	-	-	-	-	-	-	-	1.30	-

## ANNEXURE XXII

### DETAILS OF SIGNIFICANT ACCOUNTING RATIOS, AS RESTATED

(₹ in lacs)

Ratios	As at March 31,				
	2017	2016	2015	2014	2013
Restated PAT as per P& L Account (₹ in Lakhs)	1,094.79	551.74	468.40	296.99	218.57
Weighted Average Number of Equity Shares at the end of the Year	54.03	10.81	10.81	10.81	10.81
No. of Shares outstanding at the year end	54.03	10.81	10.81	10.81	10.81
Net Worth (in Rs.)	2,897.38	1,804.72	1,276.46	874.77	696.17
<b>Earnings Per Share</b>					
Basic & Diluted	20.26	51.06	43.35	27.49	20.23
<b>Return on Net Worth (%)</b>	38%	31%	37%	34%	31%
<b>Net Asset Value Per Share (Rs)</b>	53.63	167.03	118.14	80.96	64.43
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00	10.00

## ANNEXURE XXIII

### CAPITALISATION STATEMENT, AS RESTATED

(₹ in lacs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	72.33	72.33
Long Term Debt (B)	1,650.70	1,650.70
<b>Total debts (C)</b>	<b>1,723.13</b>	<b>1,723.13</b>
<b>Shareholders' funds</b>		
Equity share capital	540.25	750.25
Reserve and surplus - as restated	2,357.13	3,617.13
<b>Total shareholders' funds</b>	<b>2,897.38</b>	<b>4,367.38</b>
<b>Long term debt / shareholders funds</b>	0.57	0.38
<b>Total debt / shareholders funds</b>	0.59	0.39

**ANNEXURE-XXIV**  
**STATEMENT OF TAX SHELTERS, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Restated Profit before tax (A)	394.23	818.35	701.95	425.39	247.34
Income Tax Rate (%)	33.063%	33.063%	32.445%	32.445%	32.445%
MAT Rate (%)	20.389%	20.389%	20.078%	20.078%	20.078%
Tax at notional rate on profits	130.34	270.57	227.75	138.02	80.25
<b>Adjustments:</b>	-	-	-	-	-
<b>Permanent Differences(B)</b>	-	-	-	-	-
Donation	0.25	0.60	0.60	0.50	-
Interest on delayed payment of Income tax	-	7.61	9.19	3.40	5.05
Allowance u/s 35D	-	-	-	-	-
Disallowance u/s 269T	-	-	-	-	-
Allowable/Disallowable u/s 37	1.72	0.82	7.29	10.14	56.94
Disallowable u/s 40	-	-	-	-	-
<b>Total Permanent Differences(B)</b>	1.97	9.03	17.08	14.04	61.99
<b>Income considered separately (C)</b>	-	-	-	-	-
Profit on Sale of Depreciable Fixed Assets	-	(2.02)	-	-	-
Interest on Income Tax Refund	-	-	-	-	-
Profit on Sale of Land*	-	-	-	-	-
<b>Total Income considered separately (C)</b>	-	(2.02)	-	-	-
<b>Timing Differences (D)</b>	-	-	-	-	-
Difference between tax depreciation and book depreciation	166.05	(41.61)	(30.41)	(1.52)	40.19
Difference due to expenses allowable/disallowable u/s 43B	35.06	27.93	7.69	1.73	2.16
<b>Total Timing Differences (D)</b>	201.11	(13.68)	(22.72)	0.22	42.35
<b>Net Adjustments E = (B+C+D)</b>	203.08	(6.67)	(5.64)	14.25	104.33
<b>Tax expense / (saving) thereon</b>	67.14	(2.21)	(1.83)	4.62	33.85
<b>Income chargeable under the head OTHER SOURCES (F)</b>	-	-	-	-	-
Interest on Income Tax Refund	-	-	-	-	-
<b>Total Income chargeable under the head OTHER SOURCES (F)</b>	-	-	-	-	-
<b>Deduction under Chapter VI-A (G)</b>	-	-	-	-	-
Deduction u/s 80G	-	-	-	-	-
<b>Total Deduction under Chapter VI-A (G)</b>	-	-	-	-	-
<b>Taxable Income/(Loss) (A+E+F+G)</b>	<b>597.31</b>	<b>811.68</b>	<b>696.31</b>	<b>439.64</b>	<b>351.67</b>
<b>Taxable Income/(Loss) as per MAT</b>	394.23	818.35	701.95	425.39	247.34
<b>Income Tax as returned/computed</b>	197.53	268.41	225.92	142.64	114.10
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal	Normal

**Note:** Statement of Tax Shelter has been calculated after considering only standalone profits of Cadsys India Limited

**ANNEXURE-XXV**  
**DETAILS OF CONTINGENT LIABILITIES, AS RESTATED**

(₹ in lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Corporate Guarantee with Customs & Central Excise	1.72	1.72	1.16	1.16	1.17
<b>Total</b>	<b>1.72</b>	<b>1.72</b>	<b>1.16</b>	<b>1.16</b>	<b>1.17</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements included in this Prospectus, prepared in accordance with the Companies Act, Indian GAAP and the SEBI (ICDR) Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Statements" beginning on page 121. Unless otherwise stated, financial information used in this section is derived from the Restated Financial Statements.*

*Indian GAAP differs in certain material respects from Ind AS, U.S. GAAP and IFRS. We have not attempted to quantify the impact of Ind AS, U.S. GAAP or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to Ind AS, U.S. GAAP or IFRS.*

*Accordingly, the degree to which the Restated Financial Statements included in this Prospectus will provide meaningful is entirely dependent on the reader's level of familiarity with Indian accounting practices presently applicable to the Company.*

*This discussion contains certain forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections "Forward Looking Statements" and "Risk Factors" on pages 13 and 14 respectively.*

### Overview

We are a domain-focused GIS and engineering business technology service provider headquartered in Hyderabad, Telangana, India, with presence in the United States. We are primarily engaged in providing IT enabled services for geospatial, field engineering survey, software development and engineering design services in the domains like, telecom, CATV, oil & gas, electricity and other utilities. Incorporated in the year 1992, we have expanded our service portfolio with strategic acquisitions to emerge as a well-balanced player in the IT enabled services segment. We leverage a differentiated business model through investments in pre-fabricated software components and frameworks to build enduring value for our customers. We have expanded our service portfolio with strategic acquisitions to emerge as a well-balanced player in the IT services segment.

We set up a software engineering facility in Hyderabad in the year 1996. Our Company has also been certified by ISO 9001:2015 for design, development, Production, Support of Geographical Information System and Engineering Services and ISMS Certificate – ISO/IEC 27001:2013 for Geographical Information System and Engineering Services business including all support functions of the organisation. Our clients include government departments and companies in telecom, power and other utility sectors. .

Our customer engagements comprise holistic analysis of issues which span across people, process, technology, as well as learning and innovation.

We offered our services under four Strategic Business Unit (SBUs) viz:

- A. Geospatial Engineering Services, Mapping services, Telecom and CATV services;
- B. Architecture and Engineering services;
- C. Software and e-learning services.

We provide GIS and mapping services in USA and India. We have more than 20 years of expertise and have mapped thousands of square miles of the earth's surface. During the last 20 years we have successfully implemented complex enterprise GIS solutions for a wide variety of public and private sector clients.

Our Computer Aided Design (CAD) & Drafting team has a proven track record on Geospatial Engineering Services in terms of Data Conversion & Migration and Mapping Services like Data Capture & AM/FM Mapping to various domains such as Telecom, Utilities, Gas & Electricity.

A Geographic Information System (**GIS**) is a technological tool that helps us to understand geography better and assists in making intelligent decisions. This application is used in mining and oil exploration, flood control and disaster management, traffic management, crime control, waste disposal and environment management, sales ware housing and marketing, consumer applications – like navigational charts and location based services.

We are also involved in designing next-generation fibre networks/systems i.e. FTTx, HFC and DAS for telecommunication companies across the globe. Our offshore design methodology helps the customers in their business areas offering Triple Play services i.e. Voice, Data and Video, Broadband i.e. High-speed Internet and CATV. Our telecom engineering design team consists of a group of highly qualified and experienced professionals, technical experts who offer a broad range of engineering services for wired or wireless Information Technology and Telecom networks. Our team provides assistance and practical support on all aspects of Outside Plant Network Infrastructure and field operations. We help communications, engineering, and utility organizations more effectively to manage their people, data, and infrastructure.

We have specifically developed software Super Pro used for CATV and telecom customers to design their OSP network. This software has enabled us to bag new large projects from customers like Comcast, Verizon and Google Fiber. We have also developed a comprehensive project management software for managing projects or large program with unique spatial intelligence. This software was conceptualized by experts in the field who have ensured that the features in software enable managing all the nuances of projects, objectively

We offer architecture and engineering services which includes mechanical, electrical & plumbing and building management system design. We also provide flexible, scalable content design, development/production services to our customers. Our innovative engineering services and enterprise software solutions help customers to gain a competitive advantage by enhancing productivity and improving quality of entire operation, from planning and installation to network maintenance and upgrades. The various services are detailed below.

Our growth and current business positioning is attributable to our recent past where we have proved the success of our inorganic strategies and our capabilities to manage growth. In the year 2016, one of our Subsidiary, Apex Advanced Technology LLC, has acquired the GIS business of US based company.

Our products and services cater to the companies involved in the business of communications, electric utilities, field services and municipalities with electric, gas and water utilities. We have till date served a client base of 18 customers majorly located at United States, Middle East by a diverse workforce of over 500 employees operating at Hyderabad. We have successfully delivered over 50 projects till date. We have presence in the USA through our subsidiary offices in Maryland and Virginia.

We primarily employ graduates and post graduates in engineering and management who receive training in-house. We make continuous investments in human resources in order to service our clients and to serve the needs of our customers. In addition, we undertake training and skilled development programme by recruiting apprentice from apprentice board. Based on our Restated Consolidated Financial Statements, our total employee benefits expenses for the financial years ended 2017, 2016 and 2015 were 58%, 73% and 71% of our total expenditure.

Based on our Restated Consolidated Financial Statements, our revenue from operations were ₹4,257.47 Lacs, ₹2,984.15 Lacs, ₹2,354.36 Lacs, ₹2,000.45 Lacs and ₹1,369.18 Lacs and our profit after tax (after adjustment of share of minority interest) was ₹1,094.79 Lacs, ₹551.73 Lacs, ₹468.39 Lacs, ₹296.99 Lacs and ₹ 218.57 Lacs for the financial years ended 2017, 2016, 2015, 2014 and 2013 respectively.

### **Significant factors affecting our results of operations**

Our business is subject to various risks and uncertainties including those discussed in the section titled "*Risk Factors*" on page 14.

Among various factors that affect our financial results and operations for a given financial year, some key factors are as follows:

- General economic and business environment;
- Increasing competition in Information and Communication Technology and Software services industry;
- Changes in the reforms and regulations applicable to the various industries to which our Company caters; and
- Availability of substitute products and services.

## **Significant Accounting Policies**

The following are the significant accounting policies adopted by the Company.

### **A. Preparation and presentation of Financial Statements:**

#### **a. Basis of preparation**

The Restated Summary Statements of Assets and Liabilities of the Company as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related Restated Summary Statements of Profits and Losses and Cash Flows Statement as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, (herein collectively referred to as “Restated Summary Statements”) have been complied by management from the financial statements of the Company for the years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

The Restated Summary Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable, and the relevant provisions of the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India. The Restated Summary Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used for the purpose of preparation of financial statements for the years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with its proposed Initial Public Offering.

Restated Summary Statements of assets and liabilities, profits and losses and cash flows have been prepared to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-Section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI (ICDR) Regulations.

#### **b. Use of estimates**

The preparation and presentation of financial statements In conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of revenues and expenses during the reporting period. The difference between the actual and estimates are recognized in the period in which the results are known/ materialized.

### **B. Fixed Assets:**

- a. Fixed assets are stated at the original cost of acquisition less depreciation. Original cost includes purchase price, levies, and directly attributable cost of bringing the assets to its working condition for its intended use. As also the capitalized portion of preoperative expenses.
- b. Depreciation on the Fixed Assets of the company is provided on Straight Line Method based on the useful life of the assets as prescribed In Schedule II of the Companies Act 2013.
- c. Depreciation on additions during the year is being provided for on a pro rata basis.

### **C. Revenue Recognition**

- a. Revenue from software development on the time-and-material basis is recognized based on Software developed and billed to clients as per the terms of specific contracts.
- b. Interest Income on deposits is recognized using the time-proportion method. Based on Interest rates Implicit In the transaction.

- c. Income from investment in mutual funds is recognized on the basis of the NAV declared by the mutual fund at the end of the year.
- d. Sub-lease rental income on Immovable properties is recognized on accrual basis as per the respective agreements with the parties.
- e. Dividend income is recognized on when the group's right to receive dividend is established.

#### **D. Expenditure:**

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities. The cost of software developed for in house use was charged to revenue in the same year in which the cost incurred. The leave encashment liability of the Company is provided on the cash basis.

#### **E. Retirement Benefits to Employees:**

- a. Provident Fund: In respect of Provident Fund contribution, the employee and the employer make monthly contribution to the provident fund equal to 12% of the covered employee's salary, the company has no further obligations under the provident fund plan beyond its monthly contribution.
- b. Gratuity: Provision has been made for payment of premium to Life Insurance Corporation of India under its Group Gratuity Scheme on the basis of actuarial valuation done by them.

#### **F. Foreign Currency Transactions:**

Transactions in foreign currency are recorded at pre-determined rates to the respective functional currencies at the exchange rates that approximate the rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the statement of profit and loss for the period. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the period-end exchange rate and the resultant exchange differences are recognized in the statement of profit and loss.

For the purpose of consolidation, statement of profit and loss items are translated into the reporting currency at monthly average exchange rates. Foreign currency denominated monetary and non-monetary assets and liabilities at period-end are translated at the period-end exchange rates. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of the transaction. Net exchange difference resulting from translation of items in the financial statements of the subsidiaries and non-integral foreign operations are accumulated in foreign currency translation reserve.

#### **G. Leases**

Lease payments under operating lease arrangements are charged to the statement of profit and loss on a straight line basis method over the period of lease.

#### **H. Borrowing Cost**

Borrowing costs are expensed in the period in which it is incurred except borrowing costs directly attributable to the acquisition of those qualifying assets which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of cost of such assets.

#### **I. Taxes on Income:**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future; however, where

there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of the assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

In accordance with the Guidance Note issued by Institute of Chartered Accountants of India, the Group recognizes Minimum Alternate Tax credit as an asset only to the extent the probability exists that the Group will become liable to pay normal income tax during the specified period as per provision of Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

#### **J. Provisions and contingencies;**

A provision is recognized when there is a present obligation as a result of past event, for which it is probable that an outflow of resources will be required to settle the obligation and In respect of which reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **DESCRIPTION OF PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE**

#### **RESULTS OF OPERATIONS**

##### **Main Components of our Profit and Loss Account**

##### **Income**

##### **Revenue from operations**

Our income comprises of sale of products and services by providing engineering design services, field engineering services and software services for telecommunications, power and other utilities.

##### **Other Income**

Our other income includes predominantly of interest income.

##### **Expenditure**

Our total expenditure primarily consists of employee benefit expenses, general expenses, finance cost and depreciation.

##### **Employee Benefit Expense**

Employee benefit expenses include salaries, sales commission, wages, bonus, and staff welfare expenses.

##### **Other Operating Expenses**

Our other expenses primarily include rent, electricity charges, foreign travelling and conveyance expenses, legal and professional fees, forex losses, insurance expenses, jobwork outsourcing charges, office and administrative expenses.



## Finance Cost

Our finance cost comprises of interest on debt, bank and other finance charges.

## Depreciation

Depreciation expenses primarily consist of depreciation on the tangible assets of our Company which primarily includes vehicles, computers and accessories and other office equipment and furniture and intangibles like software.

The following table sets out select financial data from our restated consolidated statements of profit and loss for Fiscal Years 2017, 2016 and 2015, the components of which are also expressed as a percentage of total revenue for such periods. The period-to-period comparison of results is not necessarily indicative of results for future periods.

(₹ in Lacs)						
Particulars	2017	% of total revenue	2016	% of total revenue	2015	% of total revenue
<b>Income</b>						
Revenue from operations(Net)	4,257.48	97.57%	2,984.15	93.27%	2,354.37	96.45%
Other income	106.12	2.43%	215.17	6.73%	86.58	3.55%
<b>Total Revenue(A)</b>	<b>4,363.59</b>	<b>100.00%</b>	<b>3,199.32</b>	<b>100.00%</b>	<b>2,440.95</b>	<b>100.00%</b>
<b>Expenses</b>						
Employee Benefit Expense	1,558.76	35.72%	1,595.64	49.87%	1,104.58	45.25%
Other Operating Expenses	1,113.16	25.51%	594.83	18.59%	453.94	18.60%
<b>Total Expenses(B)</b>	<b>2671.92</b>	<b>61.23%</b>	<b>2,190.47</b>	<b>0.68%</b>	<b>1,558.52</b>	<b>0.64%</b>
<b>EBITDA(A-B)</b>	<b>1,691.67</b>	<b>122.46%</b>	<b>1,008.84</b>	<b>31.53%</b>	<b>882.43</b>	<b>36.15%</b>
Depreciation and amortization expense	317.47	7.28%	110.37	3.45%	91.03	3.73%
Financial costs	157.37	3.61%	88.12	2.75%	61.34	2.51%
<b>Restated profit before tax</b>	<b>1216.84</b>	<b>27.37%</b>	<b>810.36</b>	<b>25.33%</b>	<b>730.06</b>	<b>29.91%</b>
<b>Tax expense:</b>						
(a) Current tax Expense	181.05	4.15	254.39	7.95%	231.37	9.48%
(b) Minimum alternate tax credit entitlement						
(c) Deferred tax Expense / (Income)	(61.17)	(1.40%)	4.39	0.14%	27.51	1.13%
(d) Earlier Year Taxes	-	-	-	-	1.72	-
<b>Total tax expense /(credit)</b>	<b>119.88</b>	<b>2.75</b>	<b>258.78</b>	<b>-</b>	<b>260.60</b>	<b>-</b>
<b>Profit / (Loss) after tax before Minority Interests</b>	<b>1096.96</b>	<b>25.14%</b>	<b>551.58</b>	<b>25.18%</b>	<b>469.46</b>	<b>30.12%</b>
<b>Less: Minority Interests</b>	<b>2.17</b>	<b>0.05%</b>	<b>(0.16)</b>	<b>(0.01%)</b>	<b>1.06</b>	<b>0.07%</b>
<b>Restated profit for the year</b>	<b>1094.79</b>	<b>25.09%</b>	<b>551.74</b>	<b>25.19%</b>	<b>468.40</b>	<b>30.05%</b>

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016

### Income

#### Revenue from operations

Our total revenue from operations increased by 42.67% from ₹2,984.15 Lacs in the Fiscal Year ended 2016 to ₹ 4,257.48 Lacs in the Fiscal Year ended 2017. The increase in revenue from operations was primarily due to addition of new customers and acquisition made by our subsidiary.

#### Other Income

Our other income in the Fiscal Year ended 2016 was ₹215.17 Lacs which decreased by 50.68% to ₹ 106.12 Lacs in the Fiscal Year ended 2017. This was primarily due to bad debts recovery of ₹ 67.50 Lacs in Fiscal Year ended

2016 with no corresponding amount in Fiscal Year ended 2017.

## **Expenditure**

### **Employee Benefit Expense**

Our employee benefit expenses marginally decreased by 2.31% from ₹ 1,595.64 Lacs in the Fiscal Year 2016 to ₹ 1,558.76 Lacs in the Fiscal Year 2017. The decrease was due to increased operational efficiency and optimum utilisation of resources.

### **Other Operating Expenses**

Our other operating expenses increased by 87.13% from ₹ 594.83 Lacs in the Fiscal Year 2016 to ₹ 1,113.16 Lacs in the Fiscal Year 2017. This increase in the other operating expenses was due to debit balances written off to the tune of ₹ 107 Lacs and jobwork charges of ₹ 294 Lacs incurred during Fiscal Year ended 2017.

### **Finance Cost**

Our Finance cost increased from ₹ 88.12 Lacs in the Fiscal Year 2016 to ₹ 157.37 Lacs in the Fiscal Year 2017. The increase was due to increase in debt.

### **Depreciation**

Depreciation expenses increased from ₹ 110.37 Lacs in Fiscal Year 2016 to ₹ 317.47 Lacs in Fiscal Year 2017. This increase was due to scrapping of old computers and equipments.

### **Profit before Tax**

Our PBT increased from ₹ 810.36 Lacs in Fiscal Year 2016 to ₹ 1,1216.84 Lacs in Fiscal Year 2017. The increase was due to increase in revenue from operation and improved margins.

### **Total Tax expense**

Total tax expenses decreased from ₹ 254.38 Lacs in Fiscal Year 2016 to ₹ 181.05 Lacs in Fiscal Year 2017.

### **Profit after Tax**

Our PAT increased from ₹ 551.74 Lacs in Fiscal Year 2016 to ₹ 1,094.79 Lacs in Fiscal Year 2017. The increase was due to increase in revenue from operation and improved margins.

## **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015**

### **Income**

#### **Revenue from operations**

Our total revenue from operations increased by 26.75% from ₹ 2,354.37 Lacs in the Fiscal Year ended 2015 to ₹ 2,984.15 Lacs in the Fiscal Year ended 2016. The increase in revenue from operations was primarily due to addition of new customer

#### **Other Income**

Our other income in the Fiscal Year ended 2015 was ₹ 86.58 Lacs which increased to ₹ 215.16 Lacs in the Fiscal Year ended 2016. This was primarily due to bad debts recovery of ₹ 67.50 Lacs and increase in the interest and miscellaneous income.

### **Expenditure**

#### **Employee Benefit Expense**

Our employee benefit expenses increased by 44.46% from ₹ 1,104.58 Lacs in the Fiscal Year 2015 to ₹ 1,595.64

Lacs in the Fiscal Year 2016. This increase was primarily due to increase in staff strength to cater to increased business.

### Other Operating Expenses

Our other operating expenses increased by 31.04% from ₹ 453.94 Lacs in the Fiscal Year 2015 to ₹ 594.83 Lacs in the Fiscal Year 2016. This increase in the other operating expenses is in tune with the growth in revenue.

### Finance Cost

Our Finance cost increased from ₹ 61.34 Lacs in the Fiscal Year 2015 to ₹ 88.12 Lacs in the Fiscal Year 2016. The increase was due to increase in the unsecured loans.

### Depreciation

Depreciation expenses increased from ₹ 91.03 Lacs in Fiscal Year 2015 to ₹ 110.37 Lacs in Fiscal Year 2016. This increase was due to purchase of new computers and vehicle.

### Profit before Tax

Our PBT increased from ₹ 730.06 Lacs in Fiscal Year 2015 to ₹ 810.36 Lacs in Fiscal Year 2016. The increase was due to increase in revenue from operation.

### Total Tax expense

Total tax expenses was decreased from ₹ 260 Lacs in Fiscal Year 2015 to ₹ 258 Lacs in Fiscal Year 2016. This decrease was due to decrease in the deferred tax expense.

### Profit after Tax

Our PAT increased from ₹ 468.40 Lacs in Fiscal Year 2015 to ₹ 551.74 Lacs in Fiscal Year 2016. The increase was due to increase in revenue from operation.

## CASH FLOWS

The table below summarizes our cash flows for the Fiscal Years 2017, 2016 and 2015:

(₹ in Lacs)			
Particulars	2017	2016	2015
Profit Before Tax and share of associate	1216.84	810.36	730.06
Operating Profit before Working Capital Changes	1693.63	957.53	805.33
Cash from Operations	834.37	772.95	571.22
Net Cash Flow from/ (used in) Operating Activities (A)	653.32	506.82	418.97
Net Cash Flow Used in Investing Activities (B)	(1,326.57)	(80.39)	19.39
Net Cash Generated from Financing Activities (C)	1194.99	(186.20)	(2.86)
Effect of Exchange Differences on translation of foreign currency cash and Cash Equivalents	15.99	2.41	13.23
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	537.73	242.64	448.74

### Operating Activities

Net cash from operating activities in fiscal 2017 was ₹ 653.32 lakhs as compared to the PBT of ₹ 1216.84 lakhs for the same period. This difference is primarily on account of trade and other payables, other current asset and trade and other receivable.

Net cash from operating activities in fiscal 2016 was ₹ 506.82 lakhs as compared to the PBT were ₹ 810.36 lakhs for the same period. This difference is primarily on account of trade payables, trade receivable and other current assets.

Net cash from operating activities in fiscal 2015 was ₹ 418.97 lakhs as compared to the PBT were ₹ 730.06 lakhs

for the same period. This difference is primarily on account of trade payables, trade receivable and other current assets.

### **Investing Activities**

In fiscal 2017, the net cash invested in Investing Activities was ₹ (1,326.57) lakhs. This was on account of purchase of fixed assets and goodwill.

In fiscal 2016, the net cash invested in Investing Activities was ₹ (80.39) lakhs. This was on account of purchase of fixed assets and mutual funds being more than interest, dividend and sale of software.

In fiscal 2015, the net cash invested in Investing Activities was ₹ 19.39 lakhs. This was on account of interest income being more than amount spent on purchased of fixed assets and mutual funds.

### **Financing Activities**

Net cash from financing activities in fiscal 2017 was ₹ 1,194.99 lakhs. This was on account of availing the long term borrowings.

Net cash from financing activities in Fiscal Year ended 2016 was negative ₹ (186.20) lakhs. This was on account of repayment of long term borrowings and payment of finance costs and dividend distribution tax.

Net cash from financing activities in Fiscal Year ended 2015 was ₹ (2.86) lakhs. This was on account of availing long term borrowings.

### **TOTAL DEBT**

For details of our borrowings, please see section titled “*Financial Indebtedness*” on page 182.

### **CONTINGENT LIABILITIES**

The statement of contingent liabilities of our Company for the Fiscal Year ended March 31, 2017 as restated are as mentioned in the table below:

(₹ in Lakhs)	
<b>Particulars</b>	<b>As at March 31, 2017</b>
In respect of Corporate Guarantee given on behalf of related parties	1.72
<b>TOTAL</b>	<b>1.72</b>

### **OFF-BALANCE SHEET ARRANGEMENTS**

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

### **CAPITAL EXPENDITURES**

Our capital expenditures are mainly related to the purchase of fixed assets located in India. The primary source of financing for our capital expenditures has been cash generated from our operations.

### **Qualitative Disclosure about Market Risk**

Market risk is the risk of loss related to adverse changes in the market prices, including interest rate risk, foreign exchange risk, credit risk and inflation risk. We believe that our principal market risks are equity price risk, foreign exchange risk, interest rate risk and credit risk.

### **Reservations, Qualifications and Adverse Remarks**

There are no reservations, qualifications and adverse remarks by our Statutory Auditors for the Fiscal Years ended 2013, 2014, 2015, 2016 and 2017.

## **Transactions with Related Parties**

From time to time, we enter into transactions with our promoter, promoter group, individuals and companies which are controlled by our Promoter and other related parties in the ordinary course of our business. For further details on our related party transactions, please see section titled “*Financial Statements - Related Party Transactions*” on page 121.

### **Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

#### ***Unusual or infrequent events or transactions***

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

#### ***2. Significant economic changes that materially affected or are likely to affect income from continuing operations.***

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page 14 in the Prospectus, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

#### ***3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page 14 the Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

#### ***4. Future changes in relationship between costs and revenues***

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and budget constraints with our customer.

#### ***5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices***

Increases in revenues are by and large linked to increases in volume of business and greater price realisation.

#### ***6. Status of any publicly announced New Products or Business Segment***

We have launched the SpatialRPM, our Project Management software product on July 9, 2017. Please refer to the chapter titled “*Our Business*” beginning on page 80 of this Prospectus.

#### ***7. Seasonality of business***

Our Company’s business is not seasonal in nature.

#### ***8. Any Significant Dependence on a single or few customers/ clients***

The revenues from our top 5 customers constituted approximately 87.79% of the Consolidated Financials for the Financial Year 2016 – 17.

#### ***9. Competitive conditions:***

Competitive conditions are as described under the chapter “*Our Business*” on pages 82 of the Prospectus.

#### ***10. Details of material developments after the date of last balance sheet i.e. March 31 2017***

Except as mentioned below, no circumstances have arisen since the date of last financial statement until the date of filing the Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company. Significant developments since the last audited balance sheet as on March 31, 2017 till the date of the Prospectus.

1. We have launched the SpatialRPM our Project Management software product in July 9, 2017.
2. One of our Subsidiary, Apex Advanced Technology LLC, had entered into an asset purchase agreement dated March 5, 2016 with US based company to acquire its GIS business. Consequently a liability of approximately USD 1.475 million arose in May 2017 which has been paid through internal accruals and hence no liability is outstanding as on the date of this Prospectus.

## FINANCIAL INDEBTEDNESS

As on July 31, 2017, our Company's outstanding secured and unsecured borrowing (including interest) is ₹ 1,454.17 Lacs, the details of which are set out below:

### A. SECURED BORROWING

Our Company has availed the following secured loan of ₹ 838 Lacs from Canara Bank, the details of which are as under:

Type of Loan	Amount outstanding as on July 31, 2017 (₹ in Lacs)	Rate of Interest (% p.a.)	Repayment Schedule	Security Provided
• Overdraft facility ("OD") of ₹ 700 Lacs	1,384.34	OD – MCLR + 2.80%	OD – repayable on demand	<ul style="list-style-type: none"> <li>Hypothecation of computers, servers, generators, furniture and fittings, electrical equipments, office equipment, AC, UPS, communication equipment, etc.</li> <li>Personal guarantees of Nallani Chakravarthi Venkata Rangacharya, Nallani Chakravarthi Padmaja and of Nallani Chakravarthi Madhavi</li> <li>Please refer to the Note for details of collateral securities</li> </ul>
• Term Loan ("TL") of ₹ 138 Lacs		TL – MCLR + 2.75%	TL – 14 quarterly instalments	

#### Note:

- Open plot no. 107 at S. No. 58, admeasuring 1000 sq. yards, silent ward, near Shameerpet, Timayapalli, Keesara mandal, Ranga Reddy district;
- Open plot no. 108 at S. No. 58, admeasuring 1000 sq. yards, silent ward, near Shameerpet, Timayapalli, Keesara mandal, Ranga Reddy district;
- Open plot no. 365 to 376, 441 to 447 and 456 to 462 at S. No. 779, 780, 797, 798, 800 to 807, 810 to 822 and 823, admeasuring 5320 sq. yards, at Ghampur village, Toopran Mandal, Medak;
- Open plot no. 11 at S. No. 779, 780, 797, 798, 800 to 807, 810 to 822 and 823, admeasuring 723 sq. yards, at Ghanpur village, Toopran Mandal Medak;
- Open plot no. 401 to 407, 408 to 421, 422 to 427, 448 to 455 at S. No. 779, 780, 797, 798, 800 to 807, 810 to 822 and 823, admeasuring 7465 sq. yards, at Ghanpur village, Toopran Mandal, Medak;
- Open plot no. 731 to 736 at S. No. 298 / P and 314, admeasuring 2311 sq. yards, at Yawapor village, Toopran mandal, medak;
- Hypothecation of fixed assets (apart from computers, servers and AC) standing in the name of Company; and
- Pledge of fixed deposits

### B. Other Borrowings:

Our Company has also availed the following loans:

Type of Loan	Amount sanctioned (₹ in Lacs)	Amount outstanding as on July 31, 2017 (₹ in Lacs)	Rate of Interest (% p.a.)	Term / repayment schedule	Security Provided
Variable spread loan	992.00	1132.19	15.40	6 months	Fixed deposit
Hewlette- Packard Financial Services	159.84	28.92	40.50	Quarterly installments from	Bank Guarantee

Type of Loan	Amount sanctioned (₹ in Lacs)	Amount outstanding as on July 31, 2017 (₹ in Lacs)	Rate of Interest (% p.a.)	Term / repayment schedule	Security Provided
(India) Private Limited				February 01, 2014	

### C. VEHICLE LOAN

Our Company has availed the following vehicle loans from certain institutions, the details of which are as under:

Lender	Loan Amount (₹ in Lacs)	Amount outstanding as on July 31, 2017	Rate of Interest (% p.a.)	Repayment Schedule	Security (Hypothecation of the vehicle purchased)
Daimler Financial Services Private Limited	35.04	₹ 29.37 Lacs	10.97	60 monthly instalments	Mercedes Benz E – 250 CDI Avantgrade

### Restrictive Covenants under the Secured Loans:

The borrower shall not without the prior consent of the bank:

- undertake any expansion / modernization / diversification programme / new line of business or manufacture other than incurring routine capital expenditure;
- invest any funds by way of deposits or loan or in share capital of any other concern (including subsidiaries) so long as money is due to the bank, the Company will however, be free to deposit funds by way of security, with third parties, in normal course of business;
- change or alter in any manner its capital structure;
- revalue its fixed assets;
- change the accounting policies in regard to stock valuation, depreciation of fixed assets, payment of dividends etc;
- effect any scheme of amalgamation / reconstruction;
- declare dividend or distribute profits if any installment of principal and / or interest remains unpaid in respect of the aforesaid loan and/or in arrear for a period of 3 months or more;
- withdraw or allow to be withdrawn any monies brought in as loans, deposits, capital etc by proprietors, directors, partners, relatives and friends of proprietors / partners / promoter or directors;
- enter into hire purchase or lease agreement during the currency of loan;
- undertake guarantee obligations on behalf of any partner / director / proprietor / third party
- make any changes in the management including key personnel such as chief operating officer, managing director, whole-time directors, executive directors, finance director, technical director etc
- make any changes in the MOA / AOA, partnership deed and in general their constitution
- shall remove, dismantle any of the said hypothecated articles except in the ordinary course of business
- shall deal with any other bank, institution
- shall undertake to make any loan or give financial guarantee / other guarantee or provide security of assets of the Company to any other company or any other person
- enter into borrowing arrangement either secured or unsecured with any other bank / financial institution / Company

### D. UNSECURED BORROWINGS

Our Company and one of our Subsidiary have availed the following unsecured loans as on July 31, 2017 the details of which are set out below:

Name of the Lender	Loan Amount (₹ in Lacs)	Rate of Interest	Repayment Schedule	Amount outstanding (₹ in Lacs)
Bajaj Finserv Limited	40.72	19.25 %	36 monthly instalments	4.35
Capital First Limited	40.00	18 %	36 monthly instalments	5.57



Name of the Lender	Loan Amount (₹ in Lacs)	Rate of Interest	Repayment Schedule	Amount outstanding (₹ in Lacs)
Fullerton India Credit Company Limited	50.00	18 %	36 monthly instalments	6.96
HDFC Bank Limited	30.00	16.50 %	36 monthly instalments	3.10
Magma Fincorp Limited	35.00	20.50%	36 monthly instalments	5.02
Ratnakar Bank Limited	35.00	19%	37 monthly instalments	4.91
Religare Finvest Limited	30.00	19.26 %	36 monthly instalments	4.24
Standard Chartered Bank	60.00	18 %	36 monthly instalments	6.31
<b>TOTAL</b>				<b>40.46</b>

Name of the Lender	Loan Amount	Rate of Interest	Repayment Schedule	Amount outstanding (₹ in Lacs)
<b>Apex Advanced Technology LLC</b>				
Columbia Books Inc.	500,000 USD	10%	Monthly instalments beginning June 01, 2016	324.19
<b>TOTAL</b>				<b>324.19</b>

## SECTION VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no (i) outstanding criminal proceedings against our Company, our Promoter, our Directors and our Subsidiaries and (ii) action pending or taken by a ministry, government department, statutory / regulatory authorities, economic offence against our Company, our Promoter, our Directors and our Subsidiaries.*

*Our Company, our Director and/or our Promoter have not been declared as wilful defaulters by the RBI, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchange against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

*Furthermore, except as stated below, in the last five years preceding the date of this Prospectus there have been (a) no instances of material frauds committed against our Company and its Subsidiaries; (b) no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the case of our Company and its Subsidiaries and, no prosecutions have been filed (whether pending or not), fines imposed or compounding of offences for our Company and its Subsidiaries. For details of contingent liability as per Accounting Standard 29, refer to the section "Financial Statements" on page 121 of this Prospectus.*

*Details of other legal proceedings, determined to be material by our Board of Directors pursuant to their resolution dated July 03, 2017 and currently pending involving our Company are set forth below. Pursuant to the SEBI (ICDR) Regulations, for the purposes of disclosure, all other pending litigation involving our Company, Subsidiaries, Directors and Promoter other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if the claim by or against the entity or person in any such pending matter has a potential financial liability of at least ₹ 90 Lacs, which is about 3% of the turnover of our Company for Fiscal 2017. Our Board of Directors consider dues owed by our Company to the small scale undertakings and other creditors exceeding ₹ 300 lacs i.e. 10% of the total amount owed to creditors as for Fiscal 2017, as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on July 3, 2017.*

#### A. LITIGATION INVOLVING OUR COMPANY

Nil

#### B. LITIGATION INVOLVING OUR DIRECTORS

Nil

#### C. LITIGATION INVOLVING OUR SUBSIDIARIES

Nil

#### D. TAX LITIGATIONS

Except as stated below, our Company is not involved in any tax litigation:

##### *Legal Notice*

1. Our Company has received a show cause notice dated March 24, 2017 from the Principal Chief Commissioner of Income Tax, Hyderabad under section 276C (2) of the Income Tax Act, 1961 alleging non – payment of advance tax of ₹ 52.84 lacs for the assessment year 2016 – 2017 out of the total advance tax of ₹ 227.84 lacs entitled to be paid by our Company. Our Company *vide* letter dated April 20, 2017 has replied denying the allegations of the Principal Chief Commissioner of Income Tax, Hyderabad. As on the date of this Prospectus, there has been no further communication in this regard.

#### E. ACTION PENDING OR TAKEN BY A MINISTRY, GOVERNMENT DEPARTMENT, STATUTORY / REGULATORY AUTHORITIES AGAINST OUR PROMOTER

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of our Company during the last five years immediately preceding the year of the issue of this Prospectus.

#### **F. PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

#### **G. OUTSTANDING DUES TO CREDITORS**

The Board of our Company in its meeting held on July 3, 2017, determined that outstanding dues to creditors in excess of ₹ 300 lacs (being 10% of the total amount owed to the creditors for the Fiscal 2017 as per our restated consolidated financial statements) are considered as material outstanding dues and accordingly there are no material creditors as on the date of this Prospectus.

The details pertaining to amounts due towards other creditors are available on the website of our Company at the following link <http://www.cadsystech.com/uploads/Trade-Payables/2017.pdf> do not form a part of this Prospectus. For further details, refer to the section titled “Financial Statements” on page 121 of this Prospectus.

#### **H. PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous company law in the last five years immediately preceding the year of issue of the Prospectus in the case of Company, Promoter, Directors and Subsidiaries. Further, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of this Prospectus.

Further, there is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter during the last five years immediately preceding the year of the issue of the Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

#### **I. MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the date of this Prospectus.

#### **J. MATERIAL DEVELOPMENTS SINCE MARCH 31, 2017**

Except as stated in “Management’s Discussion and Analysis of Financial Condition and Results of Operation” on page 171 of this Prospectus, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*We are required to obtain consents, licenses, registrations, permissions and approvals for carrying out our present business activities. Our Company has obtained the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. For details in connection with the regulatory and legal framework within which we operate, please refer the chapter “Key Regulations and Policies” on page 91 of this Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.*

*The following statements set out the details of licenses, permissions and approvals taken by our Company under various central and state laws for carrying out the business:*

### **I. Issue related Approvals**

1. For the approvals and authorizations obtained by our Company in relation to the Issue, see “*Other Regulatory and Statutory Disclosures – Authority for the Issue*” on page 190 of this Prospectus;
2. In – principle approval from NSE dated September 08, 2017.

### **II. Foreign Collaboration Approvals**

1. Our Company has received approval from FIPB dated October 10, 1995 for equity participation of Apex Data Services Inc. in the Company by way of foreign equity participation of 28.57% and NRI equity participation of 8.48% pursuant to foreign collaboration.
2. Our Company has received in-principle approval from RBI dated November 28, 1995 and final approval dated September 1, 1999 for issue of 3,00,000 equity shares of ₹ 10 each for cash at par to foreign collaborators.

### **III. Incorporation details**

Sr. No.	Type of License / Approval	Issuing Authority	Registration License No.	Date of Issue	Valid upto
1.	Certificate of incorporation as ‘Cadsys (India) Private Limited’	Registrar of Companies, Andhra Pradesh	01-14558	July 23, 1992	Until cancellation or winding up
2.	Fresh certificate of incorporation consequent on conversion to ‘Cadsys (India) Limited’	Registrar of Companies, Andhra Pradesh, Hyderabad	01-14558	June 8, 1995	Until cancellation or winding up

### **IV. Regulatory Approvals**

Sr. No.	Type of License / Approval	Issuing Authority	Registration License No.	Date of Issue	Valid upto
1.	PAN	Income tax Department	AABCC5710D	-	Until cancelled or surrendered
2.	TAN	Income tax Department	HYDC00645B	-	Until cancelled or surrendered
3.	Employee provident fund registration certificate	Regional provident Fund Commissioner, Andhra Pradesh, Hyderabad	AP/HY/29200	July 10, 1996	Until cancelled or surrendered
4.	Employee state insurance corporation certificate	Regional Director, ESIC	52-12704-67	March 25, 1996	Until cancelled or surrendered

Sr. No.	Type of License / Approval	Issuing Authority	Registration License No.	Date of Issue	Valid upto
5.	Professional tax enrolment certificate	Commercial Taxes Department	36294421317	May 2017	29, Until cancelled or surrendered
6.	Professional tax registration certificate	Commercial Taxes Department	36294421317	May 2017	29, Until cancelled or surrendered

**V. Business Related Approvals**

Sr. No.	Type of License / Approval	Issuing Authority	Registration License No.	Date of Issue / Renewal	Valid Upto
1.	Shops and establishment registration certificate for our Registered Office	Joint Commissioner, Telangana	SEA/HYD/JCL/HB/28214/2017	February 10, 2017	December 31, 2017
2.	Shops and establishment registration certificate for our office at our Branch Office	Joint Commissioner, Telangana	SEA/HYD/JCL/HB/28216/2017	February 10, 2017	December 31, 2017
3.	Industrial Entrepreneur's Memorandum	District Industries Centre, Hyderabad	280052101094	January 2010	4, Until cancelled or surrendered
4.	Approval for setting up of 100% export oriented Software Technology Park	Secretariat for Industrial Approvals	STP: PER: 57 (1995) / EOP / 65 / 95	October 10, 1995	Until cancelled
5.	Certificate for import / export code	Director, Software Technology Parts of India, Society under GoI, Ministry of I.T	5195000280	January 1995	27, Until cancelled or surrendered
6.	Provisional trade license	Commissioner greater Hyderabad Municipal Corporation	033-322-0163	October 20, 2016	-

**VI. Tax Related Approvals**

Sr. No.	Type of License / Approval	Issuing Authority	Registration License No.	Date of Issue	Valid Upto
1.	VAT registration certificate	Assistant Commercial Tax Officer, Narayanguda Circle, Hyderabad	36707383229	July 14, 2014	Until cancelled or surrendered
2.	CST registration certificate	Assistant Commercial Tax Officer, Narayanguda Circle, Hyderabad	36707383229 (Central)	July 14, 2014	Until cancelled or surrendered
3.	Service tax registration certificate	Central Excise and Service Tax (Group) Hyderabad – 11, Commisionerate	AABCC5710D ST 001	March 2011	31, Until cancelled or surrendered
4.	GST certificate of provisional registration	Government of Telangana	36AABCC5710 D1Z7	June 28, 2017	-

**VII. Quality Certifications**

Sr. No	Type of License / Approval	Issuing Authority	Registration License No.	Date of Issue	Valid upto
1.	Certificate of registration for quality management system ISO 9001: 2015	BSI, UK	FS 594299	January 15, 2013	January 4, 2019
2.	Certificate of registration for information security management system ISO / IEC 27001: 2013	BSI, UK	IS 594300	January 15, 2013	January 5, 2018

**VIII. Licenses/ Approvals applied for but yet not been approved / granted:**

NIL

**IX. Licenses / Approvals which are required but not yet applied for:**

NIL

**X. Licenses of Apex Engineers India (Private) Limited**

Sr. No.	Type of License/Approval	Issuing Authority	Registration License No.	Date of Issue	Valid upto
1.	PAN	Income tax Department	AACB8326J	-	Until cancelled or surrendered
2.	TAN	Income tax Department	HYDV02086A	January 2, 2017	Until cancelled or surrendered
3.	Employee provident fund registration certificate	Regional provident Fund Commissioner, Andhra Pradesh, Hyderabad	APHYD1521860	September 29, 2016	Until cancelled or surrendered
4.	Professional tax registration certificate	Commercial Taxes Department	36654461963	March 7, 2017	Until cancelled or surrendered
5.	Professional tax enrolment certificate	Commercial Taxes Department	36654461963	March 23, 2017	Until cancelled or surrendered
6.	Shops and establishment registration certificate	Joint Commissioner, Telangana	SEA / HYD / JCL / HB / 11375 / 2016	September 21, 2016	December 31, 2017
7.	GST certificate of provisional registration	Government of Telangana	36AACB8326J2Z0	June 28, 2017	-

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorized by a resolution of our Board of Directors at its meeting held on July 3, 2017 and by a special resolution of our Shareholders at their meeting held on July 24, 2017 pursuant to Section 62 (1) (c) of the Companies Act.

### Prohibition by SEBI and other Governmental Authorities

Our Company, our Promoter, our Directors, the members of our Promoter Group, our Group Companies, Subsidiaries and the persons in control of our Company have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoter, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, there has been no violation of securities laws by any of them.

None of the Directors of our Company are associated with the securities market in any manner and SEBI has not initiated any action against any of the Directors.

### Prohibition by RBI

Our Company, Subsidiaries, Directors, Promoter and the relatives of the Promoter (as defined under the Companies Act) and Group Companies have confirmed that they have not been identified as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation is pending against them.

### Eligibility for this Issue

This Issue is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “SME Platform of NSE” (NSE EMERGE)

### We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% Underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to said Underwriting please refer to section titled “*General Information – Underwriting Agreement*” on page 45 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), failing which, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed this Prospectus with SEBI nor has SEBI issued any observations on our Offer Document. Further, we shall also ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement dated August 03, 2017 and September 11, 2017 with the Lead Manager and Market Maker respectively to ensure compulsory Market Making for a minimum period of three years from the date of listing of Equity Shares offered in this Issue. For further details of the arrangement of Market Making, please see the chapter titled “*General Information- Details of Market Making for the Issue*” on page 46 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange. As per Regulation 106(M)(3) of SEBI (ICDR) Regulations 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

5. Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Exchange / Platform of NSE, details of which are as follows:
6. Our Company has been incorporated under the Companies Act 1956, in India.
7. The Net worth (excluding revaluation reserves) of our Company is positive as per the latest audited financial results and we have a positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years.
8. As on the date of this Prospectus, our Company has a paid up capital of ₹ 540.25 lakhs which is in excess of ₹ 3 crore, and the Post Issue Capital will be of ₹ 750.20 lakhs (₹7.50 crores).
9. Our Company has not been referred to the Board for Industrial and Financial Reconstruction and no winding up petition has been filed against our company and no liquidator has been appointed.
10. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.
11. Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories.
12. Our Company has a website i.e. [www.cadsystech.com](http://www.cadsystech.com).
13. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of Schedule VIII of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 113 of the SEBI (ICDR) Regulations, with respect to this Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT**



INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS SAFFRON CAPITAL ADVISORS PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 12, 2017 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

WE, THE LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
  - a) THE PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY SEBI, THE CENTRAL GOVERNMENT, AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - c) THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013, AS APPLICABLE, THE SECURITIES EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTER' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE - NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMATERIALIZED FORM ONLY.;
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
  - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
  - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER EXPERIENCE, ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR;
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INLCUDED IN THE PROSPECTUS.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). – NOT APPLICABLE

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - NOT APPLICABLE
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

DISCLAIMER CLAUSE OF NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India

Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/18776 dated September 08, 2017 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

The filing of this Prospectus does not, however, absolve our Company from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up, at any point of time, with the Lead Manager any irregularities or lapses in Draft Prospectus and the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Section 26 of the Companies Act, 2013.

**Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by the Lead Manager**

*All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Hyderabad, Telangana in terms of Section 26 of the Companies Act, 2013.*

Sr. No.	Issuer Name	Issue size (₹ in cr.)	Issue price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	NA	NA	NA	NA	NA	NA	NA	NA
						NA	NA	NA

**Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by the Lead Manager**

Financial Year	Total no. of IPOs	Total Funds raised (₹ in cr.)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over	Between	Less than	Over	Between	Less than	Over	Between	Less than	Over	Between	Less than

			n			n			n			n		
			50 %	25- 50%	25 %	50 %	25- 50%	25 %	50 %	25- 50%	25 %	50 %	25- 50%	25 %
NA	NA	NA	NA	NA	N	NA	NA	N	NA	NA	N	NA	NA	N
			A			A			A			A		

## **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families (“HUFs”), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under the applicable trust laws, and who are authorized under their constitution to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, 2013, venture capital funds, permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, Eligible Qualified Foreign Investors (“QFIs”), Alternative Investment Funds (“AIFs”), Foreign Institutional Investors (“FIIs”), Foreign Portfolio Investors registered with SEBI (“FPIs”) and QIBs.

Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, 1933 (“U.S. Securities Act”) or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold only outside of the United States in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

## **Filing with SEBI and the RoC**

The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in term of Reg. 106 (O) (1). However, a copy of the Prospectus will be filed with SEBI at 7th Floor, Overseas Towers, 756-L, Anna Salai, Chennai – 600002, for their record only.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC situated at 2<sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattianram Nagole, Bandlaguda, Hyderabad – 500 068.

## **Listing**

An application shall be made to SME Platform of NSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within eight days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at NSE Emerge Platform mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from NSE vide letter dated September 08, 2017 to use the name of NSE in this Offer document for listing of equity shares on NSE Emerge Platform.

## **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## **Consents**

Consents in writing of: each our Directors; our Company Secretary and Compliance Officer; our Chief Financial Officer; our Statutory Auditors; our Peer Review Auditors; Banker to our Company; Banker to the Issue; Lead Manager; Underwriter, Market Maker, the Registrar and the Legal Counsel to the Issue, to act in their respective capacities, have been obtained and will be filed along with a copy of the Prospectus with the RoC as required under the Companies Act and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, our Peer Review Auditor, M/s. G. Krishnamurthy & Co., have given their written consent to the inclusion of their report dated August 3, 2017 on restated standalone and consolidated financial information and our Statutory Auditor, M/s. Narven Associates, Chartered Accountants have given their consent to include the statement of tax benefits dated July 31, 2017 in this Prospectus and such consent have not been withdrawn as on the date of this Prospectus.

## **Expert Opinion**

Except for the Peer Review Auditors' reports dated August 3, 2017 on the restated standalone and restated consolidated financial information of our Company and the statement of tax benefits dated July 31, 2017, provided by M/s. G. Krishnamurthy & Co. and M/s. Narven Associates, Chartered Accountants, respectively our Company has not obtained any expert opinions.

## **Issue Expenses**

The total expenses of the Issue are estimated to be approximately ₹ 95 lacs. The expenses of this Issue include, among others, underwriting and management fees, selling commissions, SCSBs commissions/fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Issue expenses, please refer to the chapter titled “*Objects of the Issue*” on page 64 of this Prospectus.

## **Fees, Brokerage and Selling Commission**

The total fees payable to the Lead Manager will be as per the terms of (i) the Issue Agreement dated August 03, 2017 entered into between the Lead Manager and our Company (ii) the Underwriting Agreement dated September 02, 2017 entered into between the Underwriters and our Company and (iii) the Market Making Agreement dated September 11, 2017 entered into between our Company and the Market Makers.

A copy of the above mentioned agreements shall be made available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Prospectus until the Issue Closing Date.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar dated August 01, 2017.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Prospectus or send allotment advice by registered post/speed post.

A copy of the above mentioned agreements shall be made available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Prospectus until the Issue Closing Date.

### **Previous Rights and Public Issues during the Last Five Years**

There have been no public or rights issues undertaken by our Company during the five years preceding the date of this Prospectus.

### **Previous Issues of Shares otherwise than for Cash**

Except as disclosed in the chapter titled “*Capital Structure*” on page 53 of this Prospectus, our Company has not issued any securities for consideration other than cash.

### **Underwriting commission, brokerage and selling commission on previous issues**

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since inception.

### **Capital Issues in the Preceding Three Years**

Neither our Company nor our Subsidiaries, Group Entities have made any capital issues during the three years preceding the date of this Prospectus.

### **Promise versus Performance – Previous Issues of Company and our Group Companies/Subsidiaries.**

None of our Company, Subsidiaries, Group Entities have made any public issue or rights issue in the 10 years preceding the date of this Prospectus.

### **Outstanding debentures or bond issues or redeemable preference shares**

Our Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Prospectus.

### **Partly Paid-Up Shares**

As on the date of this Prospectus, there are no partly paid up Equity Shares of our Company.

### **Stock Market Data for our Equity Shares of our Company**

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

### **Mechanism for redressal of investor grievances**

The agreement dated August 01, 2017 between the Registrar and our Company provides for retention of records with the Registrar to the Issue for a period of at 3 years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.



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

In addition to the information indicated above, the Applicant should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Specified Locations or the Registered Broker at the Broker Centre where the Application Form was submitted by the Applicant. Further, with respect to the Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Babladi Shailaja, Company Secretary of our Company as Compliance Officer who will redress complaints, if any, investor complaints.

Our Compliance Officer may be contacted in case of any pre-Issue or post-Issue related problems, at the following address at:

**Babladi Shailaja**

3-5-900/1, IVth Floor,

Aparajitha Arcade, Himayathnagar

Hyderabad, Telangana 500029, India

**Telephone:** +: +91-40-2322-4110;

**Facsimile:** +91-40-2322-3984;

**E-mail:** cs@cadssystem.com;

**Investor grievance id:** investor@cadssystem.com

#### **Changes in Auditors during the last three financial years**

There has been no change in the Auditors of our Company during the last three financial years.

#### **Capitalisation of Reserves or Profits**

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the chapter titled “*Capital Structure*” on page 53 of this Prospectus.

#### **Revaluation of Assets**

Our Company has not re-valued its assets since incorporation.

## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of this Prospectus, Application Form, the Revision Form and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the application forms.*

#### **Ranking of Equity Shares**

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer “Main Provisions of Articles of Association” on page 249 of this Prospectus.

#### **Authority for the Issue**

This Issue has been authorized by a resolution of the Board passed at their meeting held on July 03, 2017 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on July 24, 2017.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association.

#### **Face Value and Issue Price per Share**

The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ 70.00 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under “Basis for Issue Price” on page 69 of this Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

#### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer “*Main Provisions of Articles of Association*” on page 249 of this Prospectus.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

## **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered/Corporate Office or to the registrar and transfer agent of our Company.

In accordance with Section 72 of the Companies Act, 2013 any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

*In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through this Prospectus and shall not be restricted to the minimum subscription level.*

*In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).*

*Further, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

### **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 2,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of National Stock Exchange of India Limited.

### **Minimum Application Value; Market Lot and Trading Lot**

In terms of section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI ICDR Regulations, trading in the Equity Shares shall only be in dematerialized form for all investors.

Trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by National Stock Exchange of India Limited from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 2,000 Equity Share subject to a minimum allotment of 2,000 Equity Shares to the successful applicants.

### **Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page 54 of this Prospectus, and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "Main Provisions of Articles of Association" on page 249 of this Prospectus.

## Option to receive Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchange.

## Migration to Main Board

Our Company may migrate to the main board of National Stock Exchange of India Limited from the Emerge Platform on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principle approval from the main board), we shall have to apply to National Stock Exchange of India Limited for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## Market Making

The shares offered through this Issue are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the Emerge Platform for a minimum period of three years from the date of listing on the Emerge Platform of National Stock Exchange of India Limited. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer "General Information" on page 46 of this Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has decided to make applicable limits on the upper side for the Market Maker during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹ 20 Crore	25%	24%
₹ 20 Crore to ₹ 50 Crore	20%	19%
₹ 50 Crore to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

Further, the following shall apply to market makers while managing their inventory during the process of market making:

The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.

Any initial holdings over and above such 5% of issue size would not be counted towards the inventory levels prescribed.

Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold. Threshold limit will take into consideration, the inventory level across market makers.

The Market Maker shall give two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

### **Period of Operation of Subscription List of Public Issue**

<b>Issue Opens On</b>	Thursday, September 21, 2017
<b>Issue Closes On</b>	Monday, September 25, 2017

### **Submission of Applications**

<b>Issue Period (except the Issue Closing Date)</b>	
Submission and Revision in Applications	Only between 10.00 a.m. and 5.00 p.m. IST
<b>Issue Closing Date</b>	
Submission and Revision in Applications	Only between 10.00 a.m. and 3.00 p.m. IST

### **On the Issue Closing Date, the Applications shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Applications by QIBs and Non-Institutional Investors, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Applications by Retail Individual Investors.

On Issue Closing Date, extension of time will be granted by Stock Exchange only for uploading Applications received by Retail Individual Investors after taking into account the total number of Applications received and as reported by the Lead Manager to the Stock Exchange.

**It is clarified that Applications not uploaded on the electronic bidding system or in respect of which the full Application Amount is not blocked by SCSBs would be rejected.**

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of Applications are received on the Issue Closing Date, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M) (1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is not more than ₹ 10 Crore, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the Emerge Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 201 and 208 respectively of this Prospectus.

### Following is the Issue structure:

The present Issue of up to 21,00,000 Equity Shares at a price of ₹ 70 aggregating to ₹ 1,470 lakhs by our Company. The issue of Equity Shares will constitute 27.99 % of the fully diluted post-issue Equity Share capital of our Company.

Particulars	Net Issue to Public <sup>^</sup>	Market Maker reservation portion
<b>Number of Equity Shares</b>	19,92,000 Equity Shares	1,08,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.85% of the Issue Size  (50% for the Retail Individual Investors and the balance 50% for Other than Retail Individual Investors).	5.15% of the Issue Size
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 2,000 Equity Shares and further allotment in multiples of 2,000 Equity Shares each. For further details please refer to "Basis of Allotment" under section titled "Issue Procedure" on page 208 of this Prospectus.	Firm Allotment
<b>Mode of Application*</b>	All Applications by the Applicants must be made compulsorily through ASBA mode (Online or Physical).	Through ASBA mode
<b>Minimum Application Size</b>	<b>For Other than Retail Individual Investors:</b> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000.  <b>For Retail Individuals:</b> 2,000 Equity Shares	1,08,000 Equity Shares
<b>Maximum Application</b>	<b>For Other than Retail Individual Investors:</b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.  <b>For Retail Individuals Investors:</b> Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.	1,08,000 Equity Shares
<b>Mode of Allotment</b>	Dematerialized Form	Dematerialized Form
<b>Trading Lot</b>	2,000 Equity Shares	2,000 Equity Shares. However the

Particulars	Net Issue to Public <sup>^</sup>	Market Maker reservation portion
		Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations.
<b>Terms of payment</b>	The SCSBs shall be authorized to block such funds in the bank account of the Applicant that are specified in the ASBA Application Form.	

<sup>^</sup>As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the allocation' is the net issue to the public category shall be made as follows: (a) Fifty percent to Retail Individual Investors; and (b) Remaining to Investors Other than Retail Individual Investors. The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

**If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.**

*\* In case of joint Application, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.*

### **Withdrawal of the Issue**

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of National Stock Exchange of India Limited for listing of Equity Shares offered through this issue on its Emerge Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

### **Issue Programme**

<b>Issue Opening Date</b>	Thursday, September 21, 2017
<b>Issue Closing Date</b>	Monday, September 25, 2017

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working day i.e. all trading days of stock exchanges excluding Sunday and bank holidays as per SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.



## ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document") included below under section titled "Part B - General Information Document for investing in public issues", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable law and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus.*

**This section applies to all the Applicants. Please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.**

### PART A

#### Fixed Price Issue

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

#### Application Form

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered/Corporate Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Lead Manager, SCSBs, the National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), the terminals of the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

Pursuant to SEBI Circular dated September 27, 2011 and bearing No. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA Mode.

Applicants must provide bank account details and authorisation to block funds in the relevant space provided in

the Application Form and the Application Forms that do not contain such details are liable to be rejected. Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Forms for various categories is as follows:

Category	Colour of Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, FPI or FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue

\* Excluding electronic Application Forms

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank or any escrow bank.

An Applicant shall submit a completed Application Form to any of the Designated Intermediaries which include: (i) an SCSB, with whom the bank account to be blocked, is maintained; (ii) a syndicate member (or sub-syndicate member); (iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity); (iv) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); (v) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

The Designated Intermediaries shall, at the time of receipt of Application, give an acknowledgement to Applicant, by giving the counter foil or specifying the Application number to the Applicant, as a proof of having accepted the Application Form, in physical or electronic mode, respectively.

- (i) For Applications submitted by Applicants to SCSB: After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the Stock Exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the Application money specified.
- (ii) For applications submitted by investors to other Designated Intermediaries: After accepting the Application Form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of Stock Exchange.

Stock Exchange shall validate the electronic Application details with depository's records for DP ID, Client ID and PAN, by the end of each day and bring the inconsistencies to the notice of Designated Intermediaries concerned, for rectification and re-submission within the time specified by Stock Exchange. Stock Exchange shall allow modification of selected fields in the Application details already uploaded on a daily basis.

Syndicate Member/SCSB to note that stamp of Broker/SCSB/DP/RTA Branch shall be done only after Application has been uploaded

### Who can Apply?

In addition to the category of Applicants set forth under “- *General Information Document for Investing in Public Issues - Category of Investors Eligible to Participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Option to subscribe in the Issue**

- a. As per Section 29 of the Companies Act, 2013, allotment of Equity Shares will in dematerialized form only.
- b. The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Participation by Associates of Lead Manager**

Except for the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the Lead Manager may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

### **Application by Indian Public Including Eligible NRI's**

Application must be made only in the names of Individuals, Limited Companies or Statutory Corporations/ Institutions and not in the names of Minors (except through their Legal Guardians), Foreign Nationals, Non Residents (except for those applying on non-repatriation), Trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants make application on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non- Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicants make application on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs Applicants make applications on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs Applicants make applications on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

### **Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserve the right to reject any Application without assigning any reason therefor. Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications in respect of more than one scheme of a Mutual Fund will not be treated as multiple Applications, provided that such Applications clearly indicate the scheme for which the Application is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Applications by FPI (including FIIs and QFIs)**

On January 7, 2014, the SEBI notified the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2014 (“SEBI FPI Regulations”) pursuant to which the existing classes of portfolio investors namely, ‘foreign institutional investors’ and ‘qualified foreign investors’ will be subsumed under a new category namely,

‘foreign portfolio investors’ or ‘FPIs’. On March 13, 2014, the RBI amended FEMA 20 and specified conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in the Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by, or on behalf of, it to any persons that are not regulated by an appropriate foreign regulatory authority.

#### **Applications by SEBI registered Venture Capital Funds, AIFs and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after notification of the SEBI AIF Regulations.

#### **Applications by limited liability partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason therefor.

### **Applications by banking companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Applications by insurance companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason therefor.

The exposure norms for insurers applicable to investment in equity shares, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 ("**IRDA Investment Regulations**"), as amended, are: (a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer; (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and; (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time

### **Applications by provident funds/pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2, 500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

### **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

## **Application under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a). With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(c). With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

***Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.***

***The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.***

## **Maximum and Minimum Application Size**

### **(a) For Retail Individual Applicants**

The Application must be for a minimum of 2,000 Equity Shares and in multiples of 2,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000.

### **(b) For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 200,000 and in multiples of 2,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB or Non Institution Applicant cannot withdraw or lower its Application at any stage of Issue.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the

Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.**

#### **Information for the Applicants:**

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investor
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered/Corporate Office or from the registered office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the name of Minors and/or their nominees shall not be accepted.

#### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp and acknowledge by the Designated Intermediary.

#### **Applicant's Depository Account and Bank Details**

**Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allocation Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Procedure and Time Schedule for Allotment of Equity Shares**

The Issue will be conducted through the "Fixed Price Method" pursuant to which the Designated Intermediary will accept Applications for the Equity Shares during the Issue Period. The Issue Period will commence on September 21, 2017 and close on September 25, 2017. Following the expiration of the Issue Period, our Company, in consultation with the Lead Manager, will determine the basis of allotment and entitlement to allotment based on the applications received and subject to the confirmation by the Stock Exchanges. Successful Applicants will be provided with a confirmation of their allocation for the Equity Shares within a prescribed time. The SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful Applicants within 4 days of the expiration of the Issue Period. The Equity Shares will then be credited and allotted to the investors demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

#### **Payment Instructions**

All Applicants are required to use the ASBA facility to make payment.

#### **Basis of Allotment**

Allotment will be made in consultation with National Stock Exchange of India Limited (Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable

lots as set forth here:

1. The total number of shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of shares applied for).

2. The number of shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. total number of shares applied for into the inverse of the over subscription ratio).

3. For applications where the proportionate allotment works out to less than 2,000 equity shares the allotment will be made as follows:

a) Each successful applicant shall be allotted 2,000 Equity Shares; and  
b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (2) above.

4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 2,000 equity shares, the number in excess of the multiple of 2,000 would be rounded off to the nearest multiple of 2,000, subject to minimum allotment of 2,000 Equity Share.

5. If the shares allotted on a proportionate basis to any category is more than the shares allotted to the applicants in that category, the balance available shares for allocation shall be first adjusted against any category, where the allotted shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of shares. If as a result of the process of rounding off to the lower nearest multiple of 2,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.  
b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.  
c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Terms of Payment / Payment Instructions**

The entire Issue price of ₹ 70/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on



### Application to the Applicants.

- All Applicants are required to make use ASBA for applying in the Issue
- Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.
- Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- From one ASBA Account, a maximum of five Applications can be submitted.
- Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

### Unblocking of ASBA Account

- a. Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- b. On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c. In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date

### Electronic Registration of Applications

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchange. There will be at least one on-line connectivity facility in each city, where a stock exchange is

located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.

2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  - Name of the Applicant;
  - IPO Name;
  - Application Form number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Numbers of Equity Shares Applied for;
  - Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number

In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.

7. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
10. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
11. Only Applications that are uploaded on the online IPO system of the Stock Exchange shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchange and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

**Do's:**

- Check if you are eligible to apply as per the terms of the Prospectus and under applicable law rules, regulations, guidelines and approvals;
- Ensure that you have Applied at the Issue Price;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicant's depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- Ensure that the Application Form is signed by the account holder in case the Applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
- Ensure that you request for and receive an acknowledgement of the Application from the concerned Designated Intermediary, for the submission of your Application Form;
- Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres) the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective banks to not release the funds blocked in the ASBA Account for any other purpose;
- Submit revised Application to such Designated Intermediary through whom the original Application was placed and obtain a revised acknowledgement;
- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;
- Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

- Ensure that the signature of the First Applicant, in case of joint Application, is included in the Application Forms;
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that the category and sub-category is indicated;
- Ensure that in case of Application under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
- Ensure that Application submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that you tick the correct investor category, as applicable, in the Application Form to ensure proper upload of your Application in the online IPO system of the Stock Exchange;
- Ensure that the Application Form is delivered within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that the entire Application Amount is paid at the time of submission of the Application or in relation to the ASBA Applications, ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the Designated Branch of the SCSB, for the submission of your Application Form.

***Dont's:***

- Do not Apply for lower than the minimum Application size;
- Do not Apply /revise Application Amount to less than or higher than the Issue Price;
- Do not Apply on another Application Form after you have submitted an Application to the Lead Manager, the SCSBs or the Registered Brokers, as applicable;
- Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest;
- The payment of the Application Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediaries only;
- Do not Apply for an Application Amount exceeding ₹ 200,000 if you are applying under the Retail category;
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- Do not instruct your respective banks to release the funds blocked in the ASBA Account for any other purpose;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not Apply if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
- Do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

- Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

## **Other Instructions**

### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### ***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

## **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

## **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

## Grounds of Rejections

Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Applicants are advised to note that the Applications are liable to be rejected, *inter-alia*, on the following grounds, which have been detailed at various places in this GID:-

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications by OCBs;
- In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Application Form;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Submission of more than five Application Form as through a single ASBA Account;
- Applications for number of Equity Shares which are not in multiples of Equity Shares which are not in multiples as specified in the Prospectus;
- Multiple Applications as defined in this GID and the Prospectus;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and as per the instructions in the Prospectus and the Application Forms;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchange; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.

**Applicants Should Note that in Case the PAN, the DP ID and client ID mentioned in the application form and entered into the electronic application system of the stock exchanges do not match with PAN, the DP ID and client ID available in the depository database, the application form is liable to be rejected.**

## Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing*

*for, its securities, or*

- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Signing of Underwriting Agreement**

Vide an Underwriting Agreement dated September 02, 2017 this issue is 100% Underwritten.

### **Filing with SEBI and the RoC**

The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in term of Reg. 106 (O) (1). However, a copy of the Prospectus will be filed with SEBI at 7th Floor, Overseas Towers, 756-L, Anna Salai, Chennai – 600002, for their record only.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC situated at 2<sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattianaram Nagole, Bandlaguda, Hyderabad – 500 068.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

### **Issuance of a Confirmation of Allocation Note (“CAN”)**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the Brokers a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

### **Designated Date and Allotment of Equity Shares**

(a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Issue Closing Date. The Issuer also ensures

the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Issue Close Date.

### **Disposal of Applications and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed are taken within 6 working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 3 (three) working days of the Issue Closing Date;
- 2) Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
- 3) If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Undertakings by our Company**

Our Company undertakes the following:

- (i) if our Company does not proceed with the Issue after the Issue Closing Date the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly.
- (ii) If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the Stock Exchange(s)/RoC/SEBI, in the event our Company subsequently decide to proceed with the Issue.
- (iii) That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- (iv) all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- (v) Allotment will be made or the Application money will be refunded within six Working Days from the Issue Closing Date or such lesser time as specified by SEBI or the application money will be refunded to the Applicants forthwith, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period.
- (vi) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (vii) That funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- (viii) That no further issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;



- (ix) Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- (x) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- (xi) Our Company shall not have recourse to the proceeds from the Issue until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

### **Utilization of Issue Proceeds**

Our Board certifies that:

- (i) all monies received from the Issue shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;
- (ii) details of all monies utilised out of the Issue referred to in sub item (i) shall be disclosed and continue to be disclosed until the time any part of the Issue proceeds remains unutilised, under an appropriate separate head in the balance-sheet of the Issuer indicating the purpose for which such monies had been utilised; and
- (iii) details of all unutilised monies out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.
- (iv) Our Company shall comply with the requirements of the SEBI (LODR) Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company declare that all monies received out of the Public Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

### **Withdrawal of the Issue**

Our Company in consultation with the LM reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper. The Stock Exchange where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Offer Document with the Stock Exchange.

### **Equity Shares in Dematerialised Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated July 26, 2017 between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated August 02, 2017 between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE090Y01013.

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.

- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with

the Depository Participant) of the Applicant.

- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

### **Communications**

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the designated intermediaries where the Application was submitted and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts etc.

## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read this Prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken inter-alia through Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus to be filed with the Registrar of Companies (“RoC”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of Stock Exchange, on the website of the LM to the Issue and on the website of Securities and Exchange Board of India at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

##### 2.1 Initial Public Offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crores rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crores rupees and up to twenty five crores rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulations.

## 2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 and the Companies Act, 1956 to the extent applicable (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry- specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, then the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- (e) The Post Offer paid up capital of the company will be 75,02,500 shares of face value of ₹ 10/- aggregating to ₹ 7.50 Crore which is less than ₹ 10 Crore.
- (f) The Company confirms that it has track record of more than 3 years.
- (g) The Company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth as on March 31, 2017 is positive.
- (h) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- (i) There is no winding up petition against the Company, which has been admitted by the court or a liquidator has not been appointed.
- (j) There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to National Stock Exchange of India Limited for listing on SME segment.
- (k) Our Company has entered into the tripartite agreement with NSDL & CDSL along with our Registrar for facilitating trading in dematerialised mode.
- (l) We have a website: [www.cadsystech.com](http://www.cadsystech.com).
- (m) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
- (n) Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, companies promoted by the promoter of the company.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus Company is eligible for the Issue in accordance with regulation 106M(1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed ₹ 10.00 crore. Company also complies with the eligibility conditions laid by the Emerge Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

### **2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Issue Opening Date, in case of an IPO and at least one Working Day before the Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### **2.4 Issue Period**

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange(s).

### **2.5 Migration To Main Board**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

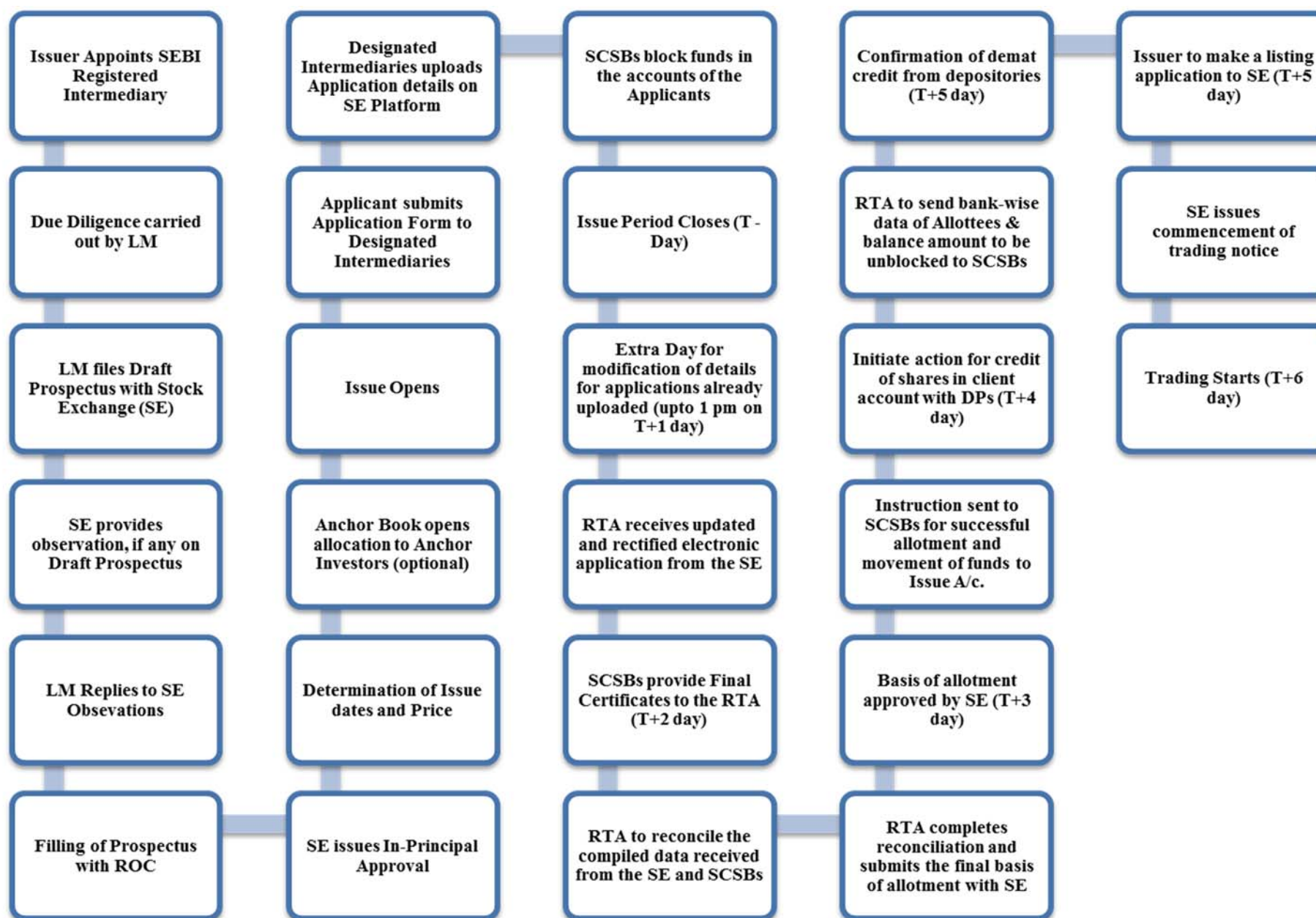
- (a) If the Paid up Capital of the Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principle approval from the main board), the Company shall apply to Stock Exchange for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores and upto ₹ 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **2.6 Flowchart of Timelines**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of ₹ 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs cannot participate in this Issue

### SECTION 4: APPLYING IN THE ISSUE

**Fixed Price Issue:** Applicants should only use the specified Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchange. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Application Form for various categories of Applicants is as follows:

Category	Colour of the Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), FPIs, QFIs, on a repatriation basis	Blue

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies



Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

#### 4.1 INSTRUCTIONS FOR FILING THE APPLICATION (FIXED PRICE ISSUE) FORM

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below. The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

<p style="text-align: center;"><b>COMMON BID CUM APPLICATION FORM</b></p>	<p><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b></p> <p>Address : ..... Contact Details: ..... CIN No. ....</p>	<p><b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b></p>																											
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#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT

- (a) Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including letters

notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

- (c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
  - (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
  - (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*
- shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective Depository Participant.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST APPLICANT

- (a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim ("PAN Exempted Applicants"). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Applications by Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic

details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- (b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- (c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### 4.1.4 FIELD NUMBER 4: APPLICATION DETAILS

- (a) The Issuer may mention Price in the Prospectus. However a prospectus registered with RoC contains one price.
- (b) Minimum And Maximum Application Size

##### i. For Retail Individual Applicants

The Application must be for a minimum of 2,000 Equity Shares. As the Application Amount payable by the Retail Individual Applicants cannot exceed ₹ 2,00,000, they can make Application for only minimum Application size i.e. for 2,000 Equity Shares.

##### ii. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 200,000 and in multiples of 2000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB and a NII Applicant cannot withdraw or lower its quantity or price in its application once the application is submitted and is required to pay 100% Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

- (c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to different Designated Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (d) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these

may be treated as multiple applications and may be rejected.

(e) The following applications may not be treated as multiple Applications:

- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
- ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
- iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.1.5 FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- i. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of application, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- ii. An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- iii. The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Applicants, such as NRIs, FIIs/FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- (c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- (d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full amount in the Application Form and the payment shall be made for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) Please note that, providing bank account details in the space provided in the Application Form is mandatory and Applications that do not contain such details are liable to be rejected.
- (c) In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs for the same.

#### **4.1.7.1 Payment instructions for Applicants**

- (i) Applicants may submit the Application Form either (i) in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or (ii) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form, or (iii) in physical mode to any Designated Intermediary.
- (ii) Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (iii) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (iv) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (v) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (vi) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (vii) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained, has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (viii) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application form.
- (ix) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (x) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (xi) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (xii) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (xiii) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### **4.1.7.2 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity

Shares to be Allotted against each Application , (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection, if any to enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Applicant to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

#### 4.1.7.3 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Applicants applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Amount less Discount (if applicable).

Applicant may note that in case the net payment (post Discount) is more than two lakh Rupees, the system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) Signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Amount mentioned in the Application Form.
- (d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### 4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.
- (b) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblock fund, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Applications by a Registered Broker, the Applicants should contact the relevant Registered Broker
  - iv. In case of Application submitted to the RTA, the Applicants should contact the RTA.
  - v. In case of Application submitted to the DP, the Applicants should contact the relevant DP.
  - vi. Applicant may contact our Company Secretary and Compliance Officer or LM in case of any other complaints in relation to the Issue.

- (c) The following details (as applicable) should be quoted while making any queries -
- i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. Name and address of the Designated Branch, as the case may be, where the application was submitted
  - iii. ASBA Account number in which the amount equivalent to the Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise their applications till closure of the Issue period or withdraw their applications until finalization of allotment.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:



<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
LOGO	Address : _____ Contact Details: _____ CIN No. _____	Bid cum Application Form No. _____
TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : _____	

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>
		Mr. / Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____ Email _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK(SCSB) BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b>
		_____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b>
		_____ NSDL _____ CDSL _____
<small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>		

PLEASE CHANGE MY BID												
4. FROM (AS PER LAST BID OR REVISION)												
Bid Options:	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")												
Bid Options:	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

6. PAYMENT DETAILS										PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____											
ASBA Bank A/c No. _____											
Bank Name & Branch _____											
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ANNEXED PROPOSALS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.											
7A. SIGNATURE OF SOLE / FIRST BIDDER				7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)				BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)			
Date : _____				I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue							
				1) _____							
				2) _____							
				3) _____							

LOGO	<b>XYZ LIMITED</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. _____
<b>BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>			
DPID / CLID _____		PAN of Sole / First Bidder _____	
Additional Amount Paid (₹) _____		Bank & Branch _____	
ASBA Bank A/c No. _____		Stamp & Signature of SCSB Branch _____	
Received from Mr./Ms. _____			
Telephone / Mobile _____		Email _____	

<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>No. of Equity Shares</th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No. _____</td> <td colspan="3"></td> </tr> <tr> <td>Bank &amp; Branch _____</td> <td colspan="3"></td> </tr> </table>	No. of Equity Shares	Option 1	Option 2	Option 3					Bid Price				Additional Amount Paid (₹)				ASBA Bank A/c No. _____				Bank & Branch _____				<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Stamp &amp; Signature of Broker / SCSB / DP / RTA</td> <td colspan="2" style="text-align: center;">Name of Sole / First Bidder</td> </tr> <tr> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>Acknowledgement Slip for Bidder</b></td> <td colspan="2"></td> </tr> <tr> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="2"></td> <td colspan="2" style="text-align: center;">Bid cum Application Form No. _____</td> </tr> </table>	Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder						<b>Acknowledgement Slip for Bidder</b>										Bid cum Application Form No. _____	
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<b>Acknowledgement Slip for Bidder</b>																																														
		Bid cum Application Form No. _____																																												

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### 4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.2.2 FIELD 4 & 5: APPLICATION FORM REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.
- (b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should not exceed ₹ 2,00,000/-. In case amount exceeds ₹ 2,00,000/- due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.



#### 4.2.3 FIELD 6: PAYMENT DETAILS

- (a) All Applicants are required to make payment of the full application amount along with the Revision Form.
- (b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

#### 4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### 4.3 SUBMISSION OF REVISION FORM/APPLICATION FORM

#### 4.3.1 Applicants may submit completed application form / Revision Form in the following manner:-

Mode of Application	Submission of Application Form
All Application	To the Designated Intermediary

## SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediaries.

Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only. The Application Form is also made available on the websites of the Stock Exchange at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

### GROUNDS OF REJECTIONS

Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Applicants are advised to note that the Applications are liable to be rejected, *inter-alia*, on the following grounds, which have been detailed at various places in this GID:-

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications by OCBs;
- In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Application Form;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Submission of more than five Application Form as through a single ASBA Account;
- Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- Multiple Applications as defined in this GID and the Prospectus;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and as per the instructions in the Prospectus and the Application Forms;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchange; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.

**Applicants should note that in case the PAN, the DP ID and client ID mentioned in the application form and entered into the electronic application system of the stock exchange by the brokers do not match with PAN, the DP ID and client ID available in the depository database, the application form is liable to be rejected.**

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

## **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being Fixed Price Issue, this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1 BASIS OF ALLOTMENT**

Allotment will be made in consultation with the National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For applications where the proportionate allotment works out to less than 2,000 equity shares the allotment will be made as follows:
  - i. Each successful Applicant shall be allotted 2,000 equity shares; and

- ii. The successful Applicants out of the total applicants for that category shall be determined by the withdrawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 2,000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 2,000 equity shares subject to a minimum allotment of 2,000 equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 2,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Prospectus.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Applicants as described below:
  - i. As per Regulation 43 (4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. The balance net offer of shares to the public shall be made available for allotment to
    - individual applicants other than retails individual investors and
    - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
  - iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required. 'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with SEBI (ICDR) Regulations.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Issue Close Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within six Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Issue Closing Date.

### **8.2 GROUNDS FOR UNBLOCKING OF FUND/REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. The Stock Exchange from where such permission is sought is disclosed in this Prospectus. The Designated Stock Exchange is disclosed in this Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange, the Issuer may forthwith take steps to refund, without interest, all moneys received from Applicants. If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, if the “amount stated in the prospectus as minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus or such other period as may be specified by the Securities and Exchange Board, the application money has to be returned within such period as may be prescribed.

If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement to Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest at the rate of 15% p.a.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allotees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### **8.3 MODE OF UNBLOCKING OF FUND/REFUND**

Within six Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application or in the event of withdrawal or failure of the Issue.

### **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Issue Closing Date, if Allotment is not made.

## **SECTION 9: GLOSSARY AND ABBREVIATIONS**

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

<b>Term</b>	<b>Description</b>
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchange
Application	An indication to make an offer during the Issue Period by a prospective pursuant to submission of Application Form to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of the Prospectus.
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue.
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by an Applicant to make an Application authorizing the relevant SCSB to block the Application Amount in the relevant ASBA Account. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable)
Banker(s) to the Issue/	The bank which is clearing members and registered with SEBI as Banker to the Issue with whom the Public Issue Account(s) may be opened, and as disclosed in the Prospectus and Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Issue Closing Date	The date after which the SCSBs may not accept any Application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation Applicants may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (can submit their application inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI (ICDR) Regulations. Applicants may refer to the Prospectus for the Issue Period
Book Building Process/ Book Building Method	The book building process as provided under SEBI (ICDR) Regulations
Lead Manager(s)/Lead	The Lead Manager to the Issue as disclosed in this Prospectus and the Application

Manager/ LM	Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account following which the board of directors may give delivery instructions for the transfer of the Equity Shares constituting the Issue
Designated Stock Exchange	The designated stock exchange as disclosed in this Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI (ICDR) Regulations.
Draft Prospectus	The draft prospectus filed with the Designated stock exchange in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI (ICDR) Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details /Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FPI(s)	Foreign Portfolio Investor
Fixed Price Issue/ Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI (ICDR) Regulations, in terms of which the Issue is being made.
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account

NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less Market Maker Reservation Portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FPIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in this Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category Qualified Institutional Buyers or QIBs	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis as defined under SEBI (ICDR) Regulations
RTGS	Real Time Gross Settlement
Refunds through electronic transfer of funds	Refunds through ASBA
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in this Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations
Retail Individual Investors / RIIs	Investors who applies or for a value of not more than ₹ 2,00,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.)
Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than ₹ 2,00,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum application lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares in an Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SME IPO	Initial public offering as chapter XB of SEBI (ICDR) Regulation

SME Issuer	The Company making the Issue under chapter XB of SEBI (ICDR) Regulation
Stock Exchange/SE	The Stock Exchange as disclosed in this Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Self Certified Syndicate Banks or SCSBs	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the respective websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> )
Underwriter	The Lead Manager(s)
Underwriting Agreement	The agreement dated September 02, 2017 entered into between the Underwriter and our Company
Working Day(s)	All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 issued by SEBI.



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Further, pursuant to office memorandum dated June 5, 2017 issued by the Department of Economic Affairs, Ministry of Finance, Government of India, the FIPB has been abolished. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the DIPP.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), issued consolidated FDI Policy, which with effect from June 07, 2016 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

## SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The Regulations contained in Table F in the first Schedule of the Companies Act, 2013 (herein after called the said Act) so far as they are applicable to a Company, shall apply to this Company, save in so far as they are expressly or by implication, excluded by the following articles.

### I. DEFINITIONS AND INTERPRETATIONS:

#### A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- (a) **‘Act’** means the Companies Act, 2013 along with the relevant Rules made there under or any other act applicable for the time being in force, and as amended from time to time including any statutory modifications or re-enactment thereof.
- (b) **‘Annual General Meeting’** shall mean a General Meeting of the members in accordance with the applicable provisions of the Act.
- (c) **‘Articles’** means these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and the Act.
- (d) **‘Board’** means the Board of Directors of the Company for the time being.
- (e) **‘Capital’** or **‘Share Capital’** shall mean the authorized share capital of the Company.
- (f) **‘Committees’** shall have the same meaning ascribed to such term in these Articles.
- (g) **‘Companies Act, 1956’** shall mean the Companies Act, 1956 (Act 1 of 1956), to the extent that such provisions have not been repealed or superseded by the Companies Act, 2013 or de-notified.
- (h) **‘Company’** or **‘this Company’** means **CADSYS (INDIA) LIMITED**.
- (i) **‘Depositories Act’** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- (j) **‘Directors’** means the Directors for the time being of the Company.
- (k) **‘Extra-ordinary General Meeting’** shall mean an extra-ordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act.
- (l) **‘Memorandum’** shall mean the Memorandum of Association of the Company, as amended from time to time.
- (m) **‘Office’** shall mean the registered office for the time being of the Company.
- (n) **‘Paid-up’** shall include the amount credited as paid up.
- (o) **‘Person’** shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- (p) **‘Registrar’** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- (q) **‘Seal’** means the common seal of the Company.
- (r) **‘SEBI’** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

- (s) **‘SEBI Listing Regulations’** shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- (t) **‘Securities’** shall mean any Share (including Equity Shares), scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.
- (u) **‘Stock exchanges’** shall mean the Small and Medium Enterprises platform of National Stock Exchange of India Limited and any other stock exchange in India or abroad where the Securities of the Company may be / are listed.

## **B. INTERPRETATION:**

In these Articles (unless the context requires otherwise):

- (a) References to a person shall, where the context permits, include such person’s respective successors, legal heirs and permitted assigns.
- (b) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (c) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- (d) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- (e) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- (f) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

## **II. Share capital and variation of rights**

1. The Authorized Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company with such rights, privileges and conditions respectively attached thereto as may be from time to time and the Company may subdivide, consolidate and increase the Share Capital from time to time and upon the sub-division of Shares, apportion the right to participate in profits in any manner as between the Shares resulting from the sub-division.
  - i. The authorized share capital of the Company may be altered or amended from time to time.
  - ii. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
  - iii. The Directors of the Company may from time to time determine the amount payable on application and allotment at the time of issue of shares and may also make calls upon the members in respect of any money unpaid on their shares of such amount and payable at such times and place as they may from time to time decide.
2. The Share Capital of the Company may be classified into Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.

3. The Board may, subject to the relevant provisions of the Act and these Articles, allot and issue Shares as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or in respect of an acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any Shares which may be so allotted may be issued as fully/partly Paid-up Shares and if so issued shall be deemed as fully/partly Paid-up Shares.
4. The Company shall issue, re-issue, Sub-Divide/Consolidate and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
5. The Company shall be entitled to dematerialise its existing Shares, rematerialise its Shares held in the depository and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, and the regulations framed there under, if any.
6. If any Shares stands in the names of Two (2) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of such Shares shall be severally as well as jointly liable for the payment of all deposits, installments and calls due in respect of such Shares, and for all incidents thereof according to the Act and these Articles.
7. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,
  - a. one certificate for all his shares without payment of any charges; or
  - b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
    - i. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
    - ii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
8.
  - i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of such fees being not less than Twenty Rupees and not exceeding Fifty Rupees as the Directors may decide from time to time.
  - ii. The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the company.
9. The Company shall be entitled to register any shares in the name of any minor person, represented by lawful guardians, if fully paid, and allow the dividend thereof to be collected or shares transferred by the guardian of such minor shareholder as the Company deems fit, subject to the provisions of law relating to contracts.
10.
  - i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be

varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

- ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be as stated in Companies Act, 2013 and amended from time to time.
11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
12. Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such Equity Shares or whose name appears as the beneficial owner of such Equity Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any Two (2) or more Persons or the survivor or survivors of them. The Company shall not be bound to register more than Three (3) persons as the joint holders of any share except in the case of executors or trustees of a deceased member.

### **III. Preference Shares**

#### **1. Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such term including the right to redeem at a premium or otherwise as they deem fit.

#### **2. Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible preference shares liable to be converted in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for conversion at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

#### **3. Upon the issue of preference shares, the following provisions shall apply:**

- a) No such preference shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- b) No such shares shall be redeemed unless they are fully paid;
- c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;
- d) Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "Capital Redemption Reserve Account" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

- e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
- f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and
- g) Whenever the Company redeem any redeemable preference shares, the Company shall, within Thirty (30) days thereafter, give notice thereof to the Registrar as required by Section 64 of the Act.

#### **IV. Further Issue of Share Capital**

Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be issues subject to provisions of the Act and these Articles.

#### **V. Nomination by Security holders**

- 1. Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Act, a person as their nominee in whom all the rights and liabilities in the Securities shall vest in the event of his/her death.
- 2. Where the securities of the Company are held by more than one person jointly, the joint shareholders may together nominate in the manner prescribed under the Act, a person as their nominee in whom all the rights and liabilities in the Securities shall vest in the of event death of all the joint holders.

#### **VI. Lien**

- 1.
  - i. The company shall have a first and paramount lien --
    - a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
    - b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- ii. The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- 2. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made -

- a) unless a sum in respect of which the lien exists is presently payable; or
  - b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 3.
  - i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
  - ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.

- iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 4.
  - i. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
  - ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
- 5. Subject to the Act and these Articles, the right of lien under this Article shall extend to other Securities.

## **VII. Calls on shares**

- 6.
  - i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
  
 Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
  - ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
  - iii. A call may be revoked or postponed at the discretion of the Board.
- 7. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
- 8. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 9.
  - i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
  - ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 10.
  - i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
  - ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 11. The Board --
  - a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the

Board and the member paying the sum in advance. However, the monies paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits;

12. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in general meeting.

#### **VIII. Share Warrants**

Company may issue share warrants subject to and in accordance with the provisions of the Companies Act, 2013; and accordingly, the Board may in its discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence [if any], as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate [if any] of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

#### **IX. Transfer of shares**

13. The Company shall record in the Register of Members fairly and distinctly particulars of every transfer or transmission of any share, Debenture or other Security held in a material form.

14.

- i. A common form of transfer as prescribed under the Act, shall be used for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.
- ii. Before the Registration of the transfer, the certificate or the certificates of the share or shares to be transferred must be delivered to the Company along with the properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.
- iii. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within Two (2) weeks from the receipt of the notice.
- iv. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- v. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

15. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

16. The Board may, subject to the right of appeal conferred by section 58 decline to register -

- a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- b) any transfer of shares on which the company has a lien.

17.

- i. The Board may decline to recognize any instrument of transfer unless –
  - a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - c) the instrument of transfer is in respect of only one class of shares.



18. Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
19. The Board shall have power on giving not less than Seven (7) days previous notice or such lesser period as may be specified by SEBI, by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the registered office of the Company is situated and by publishing a notice on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding Thirty (30) days at a time and not exceeding in the aggregate Forty Five (45) days in each year, as it may deem expedient.
20. No fee shall be payable to the Company in respect of the registration of transfer of shares or for registration of any power of attorney, probate or other similar documents.

## **X. Transmission of shares**

21.
  - i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
  - ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
22.
  - i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -
    - a) to be registered himself as holder of the share; or
    - b) to make such transfer of the share as the deceased or insolvent member could have made.
  - ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
23.
  - i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
  - ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
  - iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
24. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within Ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

25. No fee shall be payable to the Company in respect of the registration of transmission of shares or for registration of any power of attorney, probate or other similar documents.

## **XI. Forfeiture of shares**

26. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
27. The notice aforesaid shall --
- a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - b. State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
28. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share(s) and not actually paid before the forfeiture subject to applicable provisions of the Act.
- 29.
- i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 30.
- i. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
  - ii. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
  - iii. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
  - iv. Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- 31.
- i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

- ii. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  - iii. The transferee shall thereupon be registered as the holder of the share; and
  - iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
32. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
33. The Board may, at any time, before any share so forfeited shall have been sold, re- allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
34. The Directors may subject to the provisions of the Act, accept a surrender of any share certificates from or by any Shareholder desirous of surrendering them on such terms as the Directors think fit.

## **XII. Alteration of capital**

35. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

The Company shall have power to issue all kinds of preference shares, including cumulative convertible preference shares with or without premium if any, liable to be redeemed in any manner permissible under the Act, and Directors may, subject to the provisions of the Act, exercise such power in any manner they think fit and provide for the redemption of such shares on such terms including the right to redeem at a premium or otherwise as they think fit.

36. Subject to the provisions of Section 61, the company may, by ordinary resolution, -
- a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
37. Where shares are converted into stock, -
- a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up)

shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

38. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, -

- a) its share capital;
- b) any capital redemption reserve account;
- c) any share premium account.

### **XIII. Capitalisation of profits**

39.

- i. The company in general meeting may, upon the recommendation of the Board, resolve -
  - a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
  - b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- ii. The sum aforesaid shall not be paid in cash but shall be applied, either in or towards -
  - a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
  - d) A securities premium account, general reserve account and a capital redemption reserve account may, for the purposes of this regulation, be applied, for issuing to members of the company as fully paid bonus securities;
  - e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

40.

- i. Whenever such a resolution as aforesaid shall have been passed, the Board shall -
  - a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - b) generally do all acts and things required to give effect thereto.
- ii. The Board shall have power -
  - a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such

capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

- iii. Any agreement made under such authority shall be effective and binding on such members.

#### **XIV. Buy-back of shares**

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **XV. Underwriting and Brokerage**

42. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
43. The Company may also, on any issue of shares or Debentures, pay such reasonable brokerage as may be lawful.

#### **XVI. Borrowing Powers**

44. The Directors may, subject to the provisions of the Act and these Articles, from time to time at their discretion raise or borrow, or secure the repayment of any loan or advance taken or any guarantee given by the Company. Any such monies may be raised and the payment or repayment of such moneys may be secured in such manner and upon such terms and conditions in all respects as the Directors may think fit and, in particular by promissory notes, or by opening current accounts or by receiving deposits and advances at interest, with or without security, or by the issue of debentures of debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, or by mortgaging, charging or pledging any lands, buildings, machinery, plants, goods or other property and securities of the Company, or by such other means as to them may seem expedient.
45. The Board of Directors shall not, except with the consent of the Company by special resolution in the General Meeting, borrow monies where the monies to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves.

#### **XVII. General meetings**

46. All general meetings other than annual general meeting shall be called extraordinary general meeting.
47. The Board may, whenever it thinks fit, call an extra-ordinary general meeting or it shall do so upon a requisition received from such number of shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
48. Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the registered office, provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
49. Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty -one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from

the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

50. No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
51. The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions under the Act read with the Companies (Management and Administration) Rules, 2014.

#### **XVIII. Proceedings at general meetings**

- 52.
- i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
  - ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
  - iii. Notice will be deemed to have been sent if they are correctly addressed and posted to the registered addresses or through electronic mode of the members who are entitled to receive such notice.
53. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
54. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
55. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **XIX. Adjournment of meeting**

- 56.
- i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
  - ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
  - iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

#### **XX. Voting rights**

57. Subject to any rights or restrictions for the time being attached to any class or classes of shares, --
- a) on a show of hands, every member present in person shall have one vote; and
  - b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company
58. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 59.

- i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
  - ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 60. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- 61. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 62. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
- 63.
  - i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
  - ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

## **XXI. Demand for Poll**

- 64. At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded in accordance with the Act, be decided in the manner set out in the Act. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- 65. In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- 66. If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the city, town or village in which the registered office of the Company is situated and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- 67. Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutinizers as prescribed under the Act and Rules to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.
- 68. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith.
- 69. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 70. The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

## **XXII. Passing Resolutions by Postal Ballot**

71. Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
72. Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

## **XXIII. Proxy**

73. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
74. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
75. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## **XXIV. Board of Directors**

76. The following are the First Directors of the Company :
- a) Mr. Nallani Chakravarthi Venkata Rangacharya
  - b) Mr. Uppala Satyanarayana
77. Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than Three (3) and not more than Fifteen (15). However, the Company may at any time appoint more than Fifteen (15) Directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations.
78. A Director shall not be required to hold any qualification shares of the Company.
- 79.
- i. Every Director shall be entitled to receive from the Company remuneration of such amount as determined by the Board of Directors subject to the provisions of the Companies Act, 2013 or any other Act which is relevant to this for the time being in force.
  - ii. Every Director of the Company shall be entitled to receive from the Company, a sitting fee of such a sum not exceeding as may be allowed under the Companies Act, 2013 or any other Act which is relevant to this for the time being in force, for every meeting of the Board of Directors, or for a



committee of Directors attended by him, in addition to all travelling and out of pocket expenses incurred by him attending and returning from such meetings.

80. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
81. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine
82. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 83.
- i. The Board may appoint one or more directors as Managing Director(s) of the Company and fill in subsequent casual vacancy occurring in these posts. The Managing Director so appointed shall, subject to the applicable provisions of the Act and subject to the superintendence and control of Board of Directors shall have power that may be delegated by the Board from time to time. Such appointment as Managing Director may be made on such remuneration and for such period and upon such terms and conditions as the Board of Directors may deem fit on recommendations of committees and approval of members.
  - ii. Any Director of a company may, at any time, summon a Meeting of the Board, and the Company Secretary or where there is no Company Secretary, any person authorised by the Board in this behalf, on the requisition of a Director, shall convene a Meeting of the Board, in consultation with the Chairman or in his absence, the Managing Director or in his absence, the Whole-time Director, where there is any.
  - iii. Subject to the provisions of Section 175 the Companies Act, 2013 or any other Act for the time being in force, a resolution in writing approved and signed by the majority of Directors the Company shall be valid and effectual as if passed at a meeting of the Directors of the Company duly called and convened.
  - iv. Any financial institution which gives or agrees to give any loan of other form of financial assistance to the Company may, if the agreement in respect of such loan or such financial assistance to the Company may, if the agreement in respect of such loan or such financial assistance so stipulates, nominate representative on the Board of Director. Such Director(s) shall cease to be the Director(s) upon repayment of such loan or expire of the term stipulated in the agreement for termination of such rights of nomination. Such nominating body may, from time to time remove its nominee(s) and appoint another nominee or nominees in their place and while holding such office such nominees shall not be liable to retirement by rotation. Such nominees also need not hold qualification shares.
  - v. The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation or other body that he or it shall have the right to nominate its representative/s on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. Such representative/s and their successors in office appointed under these articles shall be called Special Directors. The Special Directors appointed under this clause shall be entitled to hold office until requests to retire by the person, firm, corporation or the body who may have nominated them and will not be bound to retire by rotation. A Special Director shall not be required to hold any qualification shares.
  - vi. As and whenever a special director vacates office, whether upon request aforesaid or by death resignation or otherwise, the person, firm, corporation or body who nominated such Special Director may nominate any other Director in his place. The Special Director may at time by notice in writing to the Company resign his office. Subject as aforesaid the Special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Directors of the Company.

- vii. The Board shall have power at any time, and from time, to appoint a person as an Additional Director provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these articles. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.
  - viii. The Board of Directors shall also have power to fill a casual vacancy in the Board. Any Director so appointed shall hold office only so long as the vacating Director would have held the same if no vacancy had occurred.
  - ix. The Board may appoint any person to act as alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate Director, shall be entitled to the notices of meetings of the Board of Directors and to attend and vote thereat accordingly, but he shall 'Ipso facto' vacate office if and when the absent Director returns to the State in which meetings of the Board of Directors are ordinarily held or the absent Director vacates office as a Director.
84. The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another Director of office and appoint another Director.

#### **XXV. Disqualification and vacation of office by Directors**

85. A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in section 164 and other relevant provisions of the Act. Further, on and after being appointed as a Director, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances under section 167 and other relevant provisions of the Act.
86. Subject to the applicable provisions of the Act, the resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice whichever is later.

#### **XXVI. Independent Directors**

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of the Act and SEBI Listing Regulations. Further, the appointment of such Independent Directors shall be in terms of the Act and SEBI Listing Regulations.

#### **XXVII. Proceedings of the Board**

- 87.
- i. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
  - ii. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 88.
- i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
  - ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
89. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

- 90.
- i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
  - ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson of the meeting.
91. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
92. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
93. The proceeding of the Board to be carried out in accordance with the provisions of the Act and SEBI Listing Regulations.

#### **XXVIII. Quorum for Board Meeting**

94. Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or Two (2) Directors, whichever is higher, and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such meeting.
95. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman.

#### **XXIX. Committees and delegation by Board**

96. The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
97. Subject to the applicable provisions of the Act, the requirements of Law, SEBI Listing Regulations and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
98. The meetings and proceedings of any such Committee of the Board consisting of more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the

Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

**XXX. Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

99. Subject to the provisions of the Act, --

- i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

100. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

**XXXI. Passing of resolution by Circulation**

101. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.

102. A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

**XXXII. Minutes of the proceedings of Board / Committees / General Meetings**

Minutes of the proceedings of Board / Committees / General Meetings shall contain a fair and correct summary of the proceedings conducted at the respective meeting and the same shall be prepared, circulated, maintained in accordance with the provisions of the Act and SEBI Listing Regulations.

**XXXIII. The Seal**

103.

- i. The Board shall provide for the safe custody of the seal.
- ii. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

**XXXIV. Dividends and Reserve**

104. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

105. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

106.

- i. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.
  - ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 107.
- i. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
  - ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
  - iii. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
108. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- 109.
- i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
  - ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
110. Subject to the provisions of the Act, no unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by law.
111. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
112. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
113. No dividend shall bear interest against the company.

#### **XXXV. Accounts**

- 114.
- i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

- ii. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.
- iii. At least once in every year the accounts of the Company shall be examined and the correctness thereof and of the Balance sheet and Profit and loss statement ascertained by one or more Auditor or Auditors.
- iv. The Officers and authorized nominees of any financial institution giving loan or any other form of financial assistance shall have a right to inspect the Factory Records, Documents, Registers, Books of Account and other relevant Statutory Books and obtain copies and extract from them during the normal working hours of the Company.
- v. No Member shall not be entitled to inspect the Company's books without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which or may be in the nature of Trade secret, unitary of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it will not be expedient in the interest of the members of the Company to communicate to the public.

#### **XXXVI. Winding up**

115. Subject to the provisions of Chapter XX of the Act and rules made thereunder --

- i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **XXXVII. Indemnity**

Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## **SECTION X: OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company between 10.00 a.m. to 5.00 p.m. on all Working Days from the date of filing the Prospectus with RoC until the Issue Closing Date.

#### **A. Material Contracts to the Issue**

1. Issue Agreement dated August 03, 2017, entered into between our Company and the Lead Manager.
2. Agreement dated August 01, 2017, entered into between our Company and the Registrar.
3. Market Making Agreement dated September 11, 2017 entered into between our Company, the Lead Manager and the Market Maker.
4. Underwriting Agreement dated September 02, 2017 between our Company, the Lead Manager and the Market Maker.
5. Tripartite Agreement dated July 26, 2017 entered into between our Company, NSDL and the Registrar.
6. Tripartite Agreement dated August 02, 2017 entered into between our Company, CDSL and the Registrar.
7. Escrow Agreement dated September 11, 2017 entered into between our Company, the Lead Manager, Escrow Collection Bank(s), Refund bank and the Registrar to the Issue.

#### **B. Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation dated July 23, 1992 and fresh certificate of incorporation pursuant to conversion of our Company from private to public.
3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated July 3, 2017 and July 24, 2017, respectively, authorizing the Issue.
4. Agreement for takeover of business dated September 21, 2009 entered between M/s. Cogent Designers and our Company.
5. Non – compete agreement dated July 29, 2017 entered into by our Company with I Powerfour Technologies Private Limited.
6. Asset purchase agreement dated March 5, 2016 entered into by Apex Advanced Technology LLC with Apex CoVantage LLC.
7. The Scheme of amalgamation and arrangement between Cogent Consulting Engineers (India) Private Limited and our Company as sanctioned by the orders of the High Court of Judicature of Andhra Pradesh at Hyderabad dated August 13, 2013 passed in Company Petition number 134 of 2013 connected with Company Application number 574 of 2013.
8. Letter dated October 10, 1995 from FIPB approving the equity participation of Apex Data Services Inc. in the Company by way of foreign equity participation of 28.57% and NRI equity participation of 8.48% pursuant to foreign collaboration.
9. Letter dated November 28, 1995 from RBI granting its in-principle approval for issue of 3,00,000 equity

shares of ₹ 10 each for cash at par to foreign collaborators.

10. Letter dated September 1, 1999 from RBI granting final principle approval for issue of 3,00,000 equity shares of ₹ 10 each for cash at par to foreign collaborators.
11. Copies of the annual reports of our Company for the five (5) fiscals immediately preceding the date of this Prospectus i.e. for the year ended March 31, 2017, 2016, 2015, 2014 and 2013.
12. The reports of the Peer Review Auditor, M/s. G. Krishnamurthy & Co., Chartered Accountants dated August 3, 2017 on our Company's restated financial information and statement of tax benefits dated July 31, 2017 issued by M/s. Narven Associates, Chartered Accountants, included in this Prospectus.
13. Consent of the Auditors, M/s. G. Krishnamurthy & Co. and M/s. Narven Associates, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Prospectus and as an expert, as defined under Section 2(38) of the Companies Act 2013, in relation to their audit report dated August 3, 2017 on our restated financial information and the statement of tax benefits respectively in the form and context in which it appears in this Prospectus.
14. Consents of Banker to our Company, Banker to the Issue, the Lead Manager, Registrar to the Issue, Legal Counsel, Directors of our Company, Chief Financial Officer; our Statutory Auditor; our Peer Review Auditor and Company Secretary and Compliance Officer, Market Makers and Underwriters as referred to act, in their respective capacities.
15. In-principle listing approval dated September 08, 2017 from NSE for listing the Equity Shares on NSE Emerge and to include their name in the Prospectus.
16. Due Diligence Certificate dated August 17, 2017 issued by the Lead Manager to Natioanl Stock Exchange of India Limited.
17. Due Diligence Certificate dated September 12, 2017 issued by the Lead Manager to to SEBI.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.



## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

**Signed by the Directors, Chief Financial Officer and Company Secretary & Compliance Officer of our Company**

Sd/-

Nallani Chakravarthi Venkata Rangacharya  
**Managing Director**

Sd/-

Padmaja Nallani Chakravarthi  
**Whole-time Director and Chief Financial Officer**

Sd/-

Nallani Chakravarthi Madhavi  
**Non – executive Director**

Sd/-

Sripadarajan Nagarajan  
**Non – executive Director**

Sd/-

Nandachary Mudumbi  
**Independent Director**

Sd/-

Sai Sridhar Sangineni  
**Independent Director**

Sd/-

Baladi Shailaja  
**Company Secretary and Compliance Officer**

Date: September 12, 2017

Place: Hyderabad