

### LEX NIMBLE SOLUTIONS LIMITED

Our Company was incorporated as 'ILBSG PROFESSIONAL SERVICES PRIVATE LIMITED' as a private company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated 15<sup>th</sup> April, 2005 issued by the Registrar of Companies, Hyderabad. The name of the Company was changed to LEX NIMBLE SOLUTIONS PRIVATE LIMITED on 17<sup>th</sup> January, 2012 and converted into a public Company on 18<sup>th</sup> August, 2017. Our corporate identification number is U74140TG2005PLC045904. For further details of our Company, please refer to the chapters titled 'General Information' and 'History and Certain Corporate Matters' beginning on page numbers 24 and 67 respectively, of the Prospectus.

Registered Office: Q3, Module A1, 10th Floor, Cyber Towers, Hitec City, Madhapur, Hyderabad, 500081 Telangana

**Tel No.:** +91-40-23122330 **Website:** www.lexnimble.in, **E-mail:** investment@lexnimble.in,

**Company Secretary and Compliance Officer:** Ms.Kavitha Somavarapu

**Promoters:** Lex Nimble Solutions Inc., Praveen Chakravarthy Medikundam

THE ISSUE	
PUBLIC ISSUE OF 11,12,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF LEX NIMBLE SOLUTIONS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 57 PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF ₹ 47 PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING ₹ 633.84 LAKHS ("THE ISSUE"), OF WHICH 56,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 57 PER EQUITY SHARE, AGGREGATING ₹ 31.92 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION i.e., ISSUE OF 10,56,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 57 PER EQUITY SHARE, AGGREGATING ₹ 601.92 LAKHS IS HEREINAFTER REFERED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.54% AND 25.20% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.	
THE ISSUE IS BEING IN TERMS OF CHAPTER X-B OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME. For further details please refer the section titled 'Issue Related Information' beginning on page no. 123 of the Prospectus	
All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to 'Issue Procedure' on page no. 130 of the Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.	
RISK IN RELATION TO THE FIRST ISSUE	
This being the first public issue of the Issuer, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is ₹ 10 and the Issue price of ₹ 57 per Equity Share is 5.7 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager, as stated under the chapter titled 'Basis for Issue Price' beginning on page no.44 of the Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.	
GENERAL RISKS	
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Prospectus. <b>Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page no. 10 of the Prospectus.</b>	
ISSUER'S ABSOLUTE RESPONSIBILITY	
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Prospectus contains all information with regard to the Issuer and this Issue, which is material in the context of this Issue, that the information contained in the 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 the 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 BSE Limited ("BSE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, our Company has received an in-principle approval letter dated 15 <sup>th</sup> February, 2018 from ("BSE") for using its name in the Prospectus for listing of our shares on the SME Platform of BSE Limited ("BSE"). For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>Quintessence Enterprises Private Limited</b> 8-2-603/B/33/A/9, B-201, Zahera Nagar, Road No.10, Banjara Hills, Hyderabad – 500 034, Telangana Tel No: +91 40 65528262 E-mail: quintessence@qeplindia.com, web: www.qeplindia.com Contact Person: Ms.Lavanya Chandra SEBI Registration No.: INM000011997</p>	 <p><b>Bigshare Services Private Limited</b> 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai - 400 059 Tel. No.: +91 – 22 – 6263 8200 /Fax No.: +91 – 22 – 62638299 e-mail: ipo@bigshareonline.com Website: www.bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Contact Person: Mr. Ashok Shetty SEBI Regn. No.: INR000001385</p>
ISSUE OPENS ON	ISSUE CLOSES ON
12 <sup>TH</sup> MARCH, 2018	16 <sup>TH</sup> MARCH, 2018

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**SECTION I-GENERAL**  
**DEFINITIONS AND ABBREVIATIONS**

In the Prospectus, unless the context otherwise requires, the terms defined and abbreviations stated hereunder shall have the meanings as assigned therewith as stated in this Section.

**GENERAL TERMS**

<b>Term</b>	<b>Description</b>
“LEX NIMBLE SOLUTIONS LIMITED”, “LEX”. “We”, or “us” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Lex Nimble Solutions Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Q3, Module A1, 10th Floor, Cyber Towers, Hitec City, Madhapur, Hyderabad, 500081, Telangana, India

**COMPANY RELATED TERMS**

<b>Term</b>	<b>Description</b>
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Lex Nimble Solutions Limited, as amended from time to time
Auditors	The Statutory Auditors of our Company, being M/s. SPC & Associates, Chartered Accountants.
Board of Directors / Board	The Board of Directors of Lex Nimble Solutions Limited, including all duly constituted Committees thereof.
Companies Act	Companies Act, 1956, as superseded and substituted by Companies Act, 2013, wherever applicable and relevant
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Lex Nimble Solutions Limited unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
ILBSG	International Legal and Business Services Group
LLC	Limited Liability Company
LLP	Limited Liability Partnership
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Lex Nimble Solutions Limited
Non Residents	A person resident outside India, as defined under FEMA
NRIs / Non Resident Indians	A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign (Registration and Regulation of Companies and Companies Incorporated Outside India) Regulations, 2000
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoters/ Main Promoters	M/s. Lex Nimble Solutions Inc., US and Mr. Praveen Chakravarthy Medikundam
Registered Office	The Registered Office of our company is located at Q3, Module A1, 10th Floor, Cyber Towers, Hitec City, Madhapur, Hyderabad, 500081, Telangana, India
ROC	Registrar of Companies, Hyderabad
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992

SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009 as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time depending on the context of the matter being referred to
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	Unless the context requires otherwise, refer to, the BSE Limited

#### ISSUE RELATED TERMS

<b>Term</b>	<b>Description</b>
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	The successful applicant to whom the Equity Shares are being / have been issued
Allotment Advice	Note, Advice, or intimation of Allotment sent to the Applicants who have been or are to be allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue
Bankers to the Company	HDFC Bank Limited
Bankers to the Issue	HDFC Bank Limited
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue.
Business day	Monday to Friday (except public holidays)
BSE	The Bombay Stock Exchange Limited
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Offer Account.
Designated Stock Exchange	SME of BSE
Escrow Agreement	Agreement to be entered into amongst the Company, the Lead Manager, the Registrar, 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
General Information Document	The General Information Document for investing in public issue prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, as notified by SEBI
IPO	Initial Public Offering
Issue / Issue Size / Public Issue	The Public Issue of 11,12,000 Equity Shares of ₹ 10 each at ₹ 57 (including share premium of ₹ 47) per Equity Share aggregating to ₹ 633.84 Lakhs by Lex Nimble Solutions Limited
Issue Price	The price at which the Equity Shares are being issued by our Company under the Prospectus being ₹ 57
LM / Lead Manager	Lead Manager to the Issue, in this case being Quintessence Enterprises Private Limited
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Agreement to be signed between our company and the

	SME Platform of BSE
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 10,56,000 Equity Shares of ₹ 10 each at ₹ 57 (including share premium of ₹ 47 per Equity Share aggregating ₹ 601.92 Lakhs by Lex Nimble Solutions Limited
NEFT	National Electronic Fund Transfer
Prospectus	The Prospectus, filed with the opening and closing dates and other information with the ROC.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs to the ASBA Account on the Designated Date.
Qualified Institutional Buyers/ QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and Sub-account (other than a sub-account which is foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 2,500 Lakhs, pension fund with minimum corpus of ₹ 2,500 Lakhs, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as may be applicable
Registrar/ Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
SME Platform of BSE	The SME Platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
Underwriters	Quintessence Enterprises Private Limited
Underwriting Agreement	The Agreement entered into between the Underwriters and our Company dated 7 <sup>th</sup> February, 2018

#### Technical / Industry Related Terms

Terms	Description
BPM	Business process management
CMMI	Capability Maturity Model Implementation
CRM	Customer relationship management
CSO	Central Statistical Organization
GDP	Gross Domestic Product
DEPG	Duty Entitlement Pass Book Scheme
EPCG	Export Promotion Capital goods Scheme
FDI	Foreign Direct Investment
F & O	Future & Options
FMC	Forward Market Commission
FOB	Free on Board
GOI	Government of India

HR	Human resources
iOS	iPhone Operating System
IP	Intellectual property
ISMS	Information Security Management Systems
IT	Information technology
ITeS	Information technology enabled services
ISO	International Standard Organization
NABCB	National Accreditation Board for Certification Bodies
PA	Process Area
QMS	Quality Management System
RONW	Return on Net Worth
SSI	Small Scale Industries
VCF	Venture Capital Fund
SCAMPI	Standard CMMI Appraisal Method for Process Improvement
SENSEX	Bombay Stock Exchange Sensitive Index
NIFTY	National Stock Exchange Sensitive Index

### Conventional Terms / General Terms / Abbreviations

Terms	Description
A/c	Account
ACS	Associate of the Institute of Company Secretaries of India
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application supported by Blocked Amount
AY	Assessment Year
BSE	The Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director's Identification Number
DP	Depository Participant
ECS	Electronic Clearing Scheme
EGM	Extraordinary General Meeting
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Application Forms and the Prospectus will constitutes an invitation to purchase the equity shares.
EPS	Earnings per share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors
FIPB	Foreign Investment and Promotion Board
FY / Fiscal / Financial Year	Period of twelve months ended 31st March of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government Of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961 as amended from time to time
ICSI	Institute of Company Secretaries of India
LLC	Limited Liability Company
LLP	Limited Liability Partnership
MAPIN	Market Participants and Investors' Integrated Database
MoF	Ministry of Finance
NA	Not Applicable
NAV	Net Asset Value
NRE Account	Non-Resident (external) Account
NRIs	Non-resident Indians

NRO Account	Non-resident (ordinary) account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Body
p.a.	per annum
P/E ratio	Price Earnings ratio
PAC	Persons acting in concert
PAN	Permanent Account Number
PAT	Profit after Tax
QCI	Quality Council of India
RBI	Reserve Bank of India
RoE	Return on Equity
Bn	Billion
₹ or Rs.	Rupiah, the official currency of the Republic on India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contract (Regulation) Rule, 1957, as amended from time to time
STT	Securities transaction tax
US / United States	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the Unites States of America

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, SEBI Act, SCRA, the Depositories Act and the rules and regulations made there under.

Notwithstanding the foregoing:

1. In the section titled '*Main Provisions of the Articles of Association*' beginning on page no.163 of the Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapters titled '*Summary of Our Business*' and '*Our Business*' beginning on page nos. 18 and 59 respectively, of the Prospectus, defined terms shall have the meaning given to such terms in that section;
3. In the section titled '*Risk Factors*' beginning on page no.10 of the Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled '*Statement of Tax Benefits*' beginning on page no.46 of the Prospectus, defined terms shall have the meaning given to such terms in that section;
5. In the chapter titled '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' beginning on page no.105 of the Prospectus, defined terms shall have the meaning given to such terms in that section.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Financial Data

Unless stated otherwise, the financial data in the Prospectus is derived from our audited financial statements for the period ended 31<sup>st</sup> October, 2017 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in the Prospectus, and set out in the section titled, '*Financial Information*' beginning on page no.89 of the Prospectus. Our Financial year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data, if any. Accordingly, the degree to which the restated financial statements included in the Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled '*Risk Factors*', '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on page 10, 59 and 105, respectively, of the Prospectus and elsewhere in the Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP.

### Currency and units of presentation

In the Prospectus, unless the context otherwise requires, all references to;

- ₹ 'Rupees' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India.
- 'US Dollars' or 'US\$' or 'USD' or '\$' are to United State Dollars, the official currency of the United States of America

All references to the word 'Lakh' or 'lac' means 'One hundred thousand' and the word 'Million' mean 'Ten Lakhs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

### Industry and Market Data

Unless stated otherwise, industry data used throughout the Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Prospectus is reliable, it has not been independently verified.

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

## FORWARD LOOKING STATEMENTS

All statements contained in the Prospectus that we are not statements of historical facts constitute 'forward-looking statements'. All statements regarding our expected financial condition and results or operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statement as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Prospectus regarding matters that we are not historical facts. These forward-looking statements and any other projection contained in the Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as 'will', 'aim', "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future:", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- i. general economic and business conditions in the markets in which we operate and in the local, regional and national and international economics;
- ii. our ability to successfully implement strategy, growth and expansion plans and technological initiatives; our ability to respond;
- iii. to technological changes;
- iv. our ability to attract and retain qualified personnel;
- v. the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- vi. general social and political conditions in India which have an impact on our business activities or investments;
- vii. potential mergers, acquisitions restructurings and increased competition;
- viii. occurrences or natural disasters or calamities affecting the areas in which we have operations; market fluctuations and industry dynamics beyond our control;
- ix. changes in the competition landscape;
- x. our ability to finance our business growth and obtain financing on favourable terms; our ability to manage our growth effectively;
- xi. our ability to compete effectively, particularly in new markets and businesses;
- xii. changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- xiii. developments affecting the Indian economy; and
- xiv. any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled '*Risk Factors*', '*Our Business*' and '*Management's Discussion and Analysis of Financial Conditions and Results or Operations*' beginning on page 10, 59 and 105, respectively of the Prospectus

Forward looking statements reflects views as of the date of the Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its affiliates have 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 of the underlying assumptions do not come to duration. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange(s).

## SECTION II – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in the Prospectus, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled ‘Our Business’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of operations’ beginning on page nos. 59 and 105, respectively, of the Prospectus as well as the other financial and statistical information contained in the Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled ‘Financial Information’ beginning on page no. 89 of the Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.*

*If any one or more of the following risks as well as other risks and uncertainties discussed in the Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India, and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.*

*The Prospectus also contains forward looking statements that involve risk and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Prospectus.*

*These Risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

### **Materiality**

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

- i. Some events may not be material individually but may be material when considered collectively*
- ii. Some events may have an impact which is qualitative though not quantitative.*
- iii. Some events may not be material at present but may have a material impact in the future.*

### **INTERNAL RISKS**

**1. The proposed objects of the issue for which funds are being raised have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials**

The requirement of funds raised through this Issue, as specified in the chapter titled “*Objects of the Issue*” are based on the Company’s estimates and internal research. Deployment of these funds is at the discretion of the management and the Board of Directors of the Company subject to and in compliance with Section 27 of the Companies Act, 2013 which directs that none of the terms of any contract entered into by the Company in pursuit of the ‘*Objects of the Issue*’ shall be varied without an approval sought at a general body meeting via a special resolution.

**2. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the ‘Object of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.**

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled ‘*Objects of the Issue*’ beginning on page no. 40 of the Prospectus.

### **3. Failure to obtain pre-qualifications and/or certifications could adversely impact our business.**

As detailed in the 'Objects of the Issue' on page no. 40 of this Prospectus, we intend to foray into CMMI Consulting practice and also develop as an ISO certifying body. Both these initiatives require us to satisfy the qualifying criteria listed down by the respective governing councils. Also, we would be required to be updated and upgraded from time to time in order to continue the consulting practice and issue a quality control certificate. Undoubtedly, any inability or failure to comply with those conditions would impact our business.

### **4. Pending trademark approval:**

In line with one of the objects of the issue being an ISO certifying body, we have already applied for a trademark for LEXQ that would be our certification logo. Though our documentation is in order, we cannot deny that the application stands the risk to be rejected on any ground, technical or otherwise. We are awaiting a communication from the Office of Trademarks in this regard.

### **5. Absence of Trademark for our Company logo.**

The logo used by us on all our corporate communications including letter heads used by us is also used by our holding company. Neither of us has applied to register it as our trademark. This exposes us to third party litigations if anyone stakes a claim for the same.

### **6. Registered office is a rented premise.**

We do not own the property where our Registered Office is situated. The premise is owned by International Legal and Business Services LLP, India, a LLP that is our promoter group entity. The premise has been taken on rent by us for which a rental agreement has been executed.

### **7. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.**

We intend to foray into CMMI Consulting practice and also develop ourselves as an ISO certifying body. Both these processes involve identifying corporates and establishing a rapport with them for a business relationship. We would also be investing in manpower, training and marketing for these objectives. For more details, please refer to page no. 40 of this prospectus under the section the 'Objects of the Issue'. These new initiatives would accelerate our growth and performance and therefore, imperative on our part to continue our focus. Needless to say, our inability to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use and so could be our analysis of market and other data or the strategies we use or plans in future under various market conditions which do not carry a guarantee of success.

### **8. Resource availability and high employee cost**

The IT industry is manpower centric be it product or services. Our business requires resources that have the knowledge of certifications and processes. They need to be updated both with the current trends and upgrade their skills and education continuously. Such rich resources come with the risk of high cost and retaining them is a challenge. Though we do take care of our employees and mean to reward them well, we cannot guarantee that they would not find a more lucrative opportunity. This would cause a setback to our operations though we do have adequate training systems that help in handholding the new recruits and handing over the work to them.

### **9. Conflict of interest with the business of our holding company:**

Both the Company and Lex Nimble Solutions Inc., the holding company are into similar business of IT services and consulting and there could be a conflict of interest while exploring possibilities of expansion and growth in future. However, we are focused to expand in the Indian market while our holding company concentrates in the US.

### **10. Association with our main promoters:**

**Our Promoters play a key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us.**

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and

management of our business. Our Promoters have been actively involved in the day to day operations and management since the incorporation of the Company. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoters are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**11. The Company has issued shares at a price lower than the issue price in the last one year.**

On 25<sup>th</sup> October, 2017 the Company issued 7332 equity shares to Smt. Sarada Devi Medikundam at a price of ₹ 48.42 per share. For more details please refer to page no. 29 in the section '*Capital Structure*' of this Prospectus.

**12. Significant dependence on our customers:**

International Legal and Business Services Group LLP, US which is one of our promoter group entity has been our major customers contributing to about 97% of our total revenue and therefore, is a significant factor for our business and financial health. However, we have slowly begun to diversify our business in the domestic market which is also one of the objectives of this IPO.

**13. We are at risk of termination of our contracts pursuant to a short notice period with no penalty. Any such termination may detrimentally affect our group's business and operations.**

Our business practice is to execute service and delivery contracts with our clients or customers which do include severance and termination clauses for both the parties involved therein except that any discontinuance by either party needs to be notified / intimated to the other party via a reasonably timed notice period. But such contracts are very common in the IT sector and we are well aware of handling such contingencies, if they occur, to protect our business interest.

**14. New products and services developed by our group may not be profitable by themselves.**

Our business is to provide service and support in the development of products developed by our holding company and promoter group entities. The sustenance of our revenue depends on the success of those products especially when it comes to the requirement of support services. Apart from this, we also intend to take up the marketing of these products in the domestic domain and therefore we have executed a royalty agreement for one such product by the name of SimpleLaw, registered in our holding company's name. Though the product has found a good acceptance and market in the US the same cannot be said about the Indian market.

**15. Delays or defaults in customer payments could result in a reduction of our profits.**

The certification market is a very cost sensitive market with cost risks associated with bad payments. Howsoever much we execute a mandate after careful consideration and due diligence, we cannot rule out delays or defaults in payments that may in turn affect our financial condition.

**16. Significant security breaches in our computer systems and network infrastructure and fraud could adversely impact our business.**

We have installed adequate systems in place for safety of information and our systems. Though our current level of business does not require us to hold significant volumes of confidential information, other than the ones imperative to deliver, we cannot rule out risk of breach, theft and fraud as we grow and diversify. We do intend to place adequate insurance and back up mechanisms for protection and recovery of data.

**17. Risks arising due to exchange rate fluctuations.**

Since our major customers are located in the US, we are exposed to the exchange rate fluctuations between the Rupee and the USD. Though the fluctuations have also been gainful it would not always be the trend and may have an adverse impact on our financial performance.

**18. Our Company has not taken any insurance coverage to adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.**

We have not taken any insurance coverage for a number of the risks associated with our business, such as insurance coverage against loss or damage by fire, explosion, burglary, theft and robbery. To the extent that we suffer any loss or damage that is not covered by insurance, our business and results of operations could be adversely affected.

**19. Future issuances of Equity Shares or future sales of Equity Shares by our Promoter and certain shareholders, or the perception that such may occur, may result in a decrease of the market price of our Equity Shares**

**20. We have in the past entered into related party transactions and may continue to do so in the future.**

We have entered into transactions with our promoter group entities and we may continue to do so as part of our business. The details are shared in the section 'Financial Information' under the head Statement of details of Related Party Transactions, as restated on page no. 104 of this Prospectus. We believe that all such transactions have been conducted on an arm's length basis. However, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Also, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

**21. Our promoter group entity International Legal and Business Services LLP, India is engaged in legal process outsourcing has been reporting a loss since incorporation during the year 2015 as given below:**

(in ₹)

Year ended	31.03.2017	31.03.2016	From date of incorporation to 31.03.2015
Profit / (Loss) after Tax	(16,96,715)	(24,25,963)	(7,58,563)

**22. Our success depends largely upon the services of our Directors and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel May affect the operations of our Company.**

We expect our future growth and expansion plans to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across the organization. In particular, continues expansion increases the challenges we face in:

- Services, products or pricing policies introduced by our competitors;
- Capital expenditure and other costs relating to our operations;
- The timing and nature of, and expenses incurred in, our marketing efforts;
- Recruiting, training and retaining sufficient skilled technical and management personnel;
- Adhering to our high quality and process execution standards;
- Maintaining high levels of customer satisfaction;
- Developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

You should not rely on yearly comparisons of our results of operations as indicators of future performance. It is possible that in some future periods our results of operations may be below the expectations of public, market analysts and investors. If we are unable to manage our growth it could have an adverse effect on our business, results of operations and financial condition.

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

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

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

## **EXTERNAL RISKS**

**1. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the financial services sector contained in the Prospectus.**

While facts and other statistics in the Prospectus relating to India, the Indian economy and the financial services sector has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the equality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our

respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled '*Industry Overview*' beginning on page no.54 of the Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**2. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

Global economic and political factors that are beyond our control, influence forecast and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

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

Recent global market and economic condition have been unprecedented and challenging with tighter credit conditions and an economic recession has been witnessed in most economies in 2009. Continued concerns about the systemic impact of potential long-term and wide-spread economic recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economics. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels. As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by business and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. These market and economic conditions have an adverse effect on the global and Indian financial markets and may continue to have a material adverse effect on our business and financial performance, and may have an impact on the price of the Equity Shares.

**4. Any disruption in the supply of power, IT infrastructure, telecom lines and disruption in internet connectivity could disrupt our business process or subject us to additional costs.**

Any disruption in basic infrastructure or the failure of the Government to improve the existing infrastructure facilities could negatively impact our business since we may not be able to provide timely or adequate service to our clients. We do not maintain business interruption insurance and may not be covered for any claims or damage if the supply of power, IT infrastructure, internet connectivity or telecom lines is disrupted. This may result in the loss of a client, impose additional costs on us and have an adverse effect on our business, financial condition and results of operations and could lead to decline in the price of our Equity Shares.

**5. Natural calamities and changing weather conditions cause as a result of global warming could have a negative impact on the Indian economy and consequently impact our business and profitability.**

Natural calamities such as droughts, floods, and earthquakes could have a negative impact on the Indian economy and may cause suspension, delays or damage to our current projects and operations which may adversely impact our business and our operating results. India's being a monsoon driven economy, climate caused due to global warming deficient / untimely monsoons could impact Government policy which in turn would adversely affect our business.

**6. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business is particular.**

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or

affecting India. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that policies will be continued in the future. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and adversely affect our business, financial condition and results of operations.

**7. Civil unrest, act of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.**

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally.

**8. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.**

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**9. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.**

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed SERNET Financial Services Private Limited as the Designated Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures or capital commitments.

In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. These can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Maker please refer to the chapter titled '*General Information*' beginning on page no. 24 of this Prospectus.

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

Following the Issue, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increase or decreases in the price of Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchange. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares.

BSE may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**11. Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.**

The Indian securities markets are smaller than securities markets in more developed economics and the Regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economic. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by

brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the BSE could adversely affect the trading price of the Equity Shares.

#### **PROMINENT NOTES:**

1. This is a public Issue of 11,12,000 Equity Shares of ₹ 10 each at ₹57 (including share premium of ₹47) per Equity Share aggregating ₹633.84 Lakhs.
2. For Information on changes in our Company's name, Registered Office and changes in the objects clause of the MOA of our Company, please refer to chapter titled '*History and Certain Corporate Matters*' beginning on page no. 67 of the Prospectus.
3. Our Net Worth as at 31st March, 2017 was ₹483.20 Lakhs and for the seven-month period ended 31<sup>st</sup> October, 2017 was ₹ 498.64 Lakhs.
4. The Net Asset Value per Equity Share as at 31st March, 2017 was ₹ 94.42 per share and for the seven-month period ended 31<sup>st</sup> October, 2017 was ₹ 16.24 per share.
5. Investors may contact the Lead Manager for any complaint pertaining to the Issue, all grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares for which the applied, Application Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA has been submitted by the ASBA Applicant.
6. The average cost of acquisition per Equity Share for Lex Nimble Solutions Inc., our Promoter is ₹ 14.26 per equity share.
7. For further details relating to the allotment of Equity Shares to our Promoter, please refer to the chapter titled '*Capital Structure*' beginning on page no. 29 of the Prospectus.
8. Our Company its Promoter / Directors, Company's Associates or Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoter, their relatives, Company, group companies, associate companies are not declared as willful defaulters by RBI / Government authorities and there are no violations of securities laws committed in the past or pending against them.
9. Investors are advised to refer to the paragraph titled '*Basis for Issue Price*' beginning on page no.44 of the Prospectus.
10. The Lead Manager and our Company shall update the Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of the Prospectus and commencement of trading.
11. Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
12. In the event of over-subscription, allotment shall be made as per the Basis of Allotment and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
13. The Directors / Promoter of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares (of Lex Nimble Solutions Limited) held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please refer to the section titled '*Our Management*' on page no. 70 of the Prospectus.
14. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details please refer to the section on '*Financial Information*' beginning on page no. 89 of the Prospectus.
15. No part of the Issue proceeds will be paid as consideration to Promoter, Directors, Key Managerial Personnel or persons forming part of Promoter Group.

16. There has been no financing arrangement whereby the Promoter Group, our Directors and 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 the financing entity during the period of six months immediately preceding the date of the Prospectus.
17. The details of transaction by our Company with related parties are disclosed under '*Statement of Related Party Transactions, as restated*' in '*Section VI : Financial Information*' of our Company beginning on page no. 89 of the Prospectus.
18. Since inception, our Company has not issued by equity shares by capitalization of reserves except for the bonus issue, details of which are given on page no 30 of this Prospectus.
19. Our Company does not have any contingent liabilities outstanding as on 31<sup>st</sup> October, 2017.
20. As per the SEBI circular no. CIR/MRD/DP/02/2012 dated 20th January, 2012 the securities of the Company will be placed in Special pre-open sessions (SPOS) and would remain in Trade for Trade settlement for ten days from the time and day the company gets listed on SME Platform of BSE.

## **SECTION III – INTRODUCTION**

### **SUMMARY OF OUR INDUSTRY:**

The IT industry contributed around 7.7% to the country's GDP employing nearly 3.9 million people in India of which more than lakh and a half were added during FY 17. It remains the most lucrative sector for investment ranking 4<sup>th</sup> in the country's total FDI share and accounts for approximately 37% of total Private Equity and Venture Investments in the country. The computer software and hardware sector in India attracted cumulative FDI inflow worth USD 24.67 billion between April 2000 and March 2017.

The market size of IT services is about USD 150 million during 2017 with over 81% of revenue from the export market. BFSI continues to be the major vertical. IT services has about 52% share in the total Indian IT sector revenue in 2017. The top five IT firms contribute over 25% of the total industry overview of around USD 131.11 billion as of 2017, indicating the market is fairly competitive.

The domestic revenue of the IT industry is estimated at USD 38 billion and export revenue is estimated at USD 117 billion in FY 17. The Indian IT sector will benefit significantly from the government's schemes like Digital India, Make in India, and Start Up India.

### **The business of quality certifications:**

The ISO is a family of quality management systems designed to help organizations ensure that they meet the needs of customers and other stakeholders while meeting statutory and regulatory requirements related to a product or programme.

The top five industrial sectors in this area of certification have been basic metal and fabricated metal products, electrical and optical equipment, construction, wholesale and retail trade and machinery & equipment. 43.4% of the corporates, world over, that are ISO 9001 certified, belong to East Asia and Pacific region. In India, companies opting for ISO 9001 certification have steadily been increasing. During the year 2014 this number stood at 40,481. Now, corporates are looking at ISO/IEC 27001, being the next level of certification. ISO/IEC 27001 is a specification for an information security management system (ISMS).

The CMMI Institute announced that 1,920 organizations earned a Capability Maturity Model Integration (CMMI) appraisal in 2015, an 18 percent global increase in the number of completed appraisals. Driven by the commitment among global business leaders to assess their organization's strengths and weaknesses, CMMI continues to successfully guide organizations as the global standard for performance improvement.

### **SUMMARY OF OUR BUSINESS:**

The Company is a subsidiary of Lex Nimble Solutions Inc., USA that holds 97.81% stake in the company. Mr. Praveen Chakravarthy Medikundam is the other promoter.

The Company is engaged in business of Appraisal Advisory, Certification, training and related services on quality models, IT product and development and services, the major revenue streams being IT application, development, maintenance and support, corporate training and consulting. The Company now plans to explore new opportunities in the field of ISO certification and CMMI consulting.

**SUMMARY OF OUR FINANCIAL INFORMATION:**

**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(₹ In '000)

	Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>A.</b>	<b>Non- Current Assets:</b>						
	<b>Fixed Assets</b>						
	Tangible assets	2,121.97	2,278.93	2,710.78	2,957.94	662.01	723.89
	Intangible assets	9.57	1.11	3.93	14.75	54.29	90.49
	<b>Total</b>	<b>2,131.53</b>	<b>2,280.04</b>	<b>2,714.71</b>	<b>2,972.68</b>	<b>716.30</b>	<b>814.38</b>
	Deferred tax asset (Net)	96.53	84.51	39.88	17.48	-	-
	Long-term loans and advances	13.75	14.95	14.95	18.70	1,126.11	1,126.11
	<b>Total Non-Current Assets</b>	<b>2,241.80</b>	<b>2,379.49</b>	<b>2,769.54</b>	<b>3,008.87</b>	<b>1,842.42</b>	<b>1,940.49</b>
<b>B.</b>	<b>Current Assets:</b>						
	Trade receivables	8,085.64	433.99	5,674.87	14,815.01	11,165.99	3,066.01
	Cash and bank balances	38,755.29	45,028.96	13,312.75	6,307.08	1,407.52	1,304.78
	Short-term loans and advances	1,379.13	1,586.32	26,162.83	26,438.14	6,455.49	5,529.67
	Other current assets	1,752.87	695.62	147.07	-	-	24.81
	<b>Total</b>	<b>49,972.93</b>	<b>47,744.89</b>	<b>45,297.52</b>	<b>47,560.23</b>	<b>19,029.00</b>	<b>9,925.27</b>
<b>C.</b>	<b>Total assets (C = A + B)</b>	<b>52,214.73</b>	<b>50,124.38</b>	<b>48,067.06</b>	<b>50,569.10</b>	<b>20,871.41</b>	<b>11,865.76</b>
<b>D.</b>	<b>Non-current liabilities</b>						
	Deferred tax liability	-	-	-	-	46.05	37.31
	Long-term provisions	705.48	705.48	-	-	-	-
	<b>Total</b>	<b>705.48</b>	<b>705.48</b>	<b>-</b>	<b>-</b>	<b>46.05</b>	<b>37.31</b>
<b>E.</b>	<b>Current liabilities:</b>						
	Trade Payables	-	194.45	94.20	-	29.68	-
	Other current liabilities	217.09	240.03	71.22	3,180.87	1,002.94	151.96
	Short-term provisions	1,428.05	664.17	83.60	723.38	561.39	342.53
	<b>Total</b>	<b>1,645.14</b>	<b>1,098.64</b>	<b>249.02</b>	<b>3,904.26</b>	<b>1,594.02</b>	<b>494.49</b>
<b>F.</b>	<b>Total liabilities (F = D + E)</b>	<b>2,350.37</b>	<b>1,804.12</b>	<b>249.02</b>	<b>3,904.26</b>	<b>1,640.07</b>	<b>531.80</b>
	<b>Net Worth (C - F)</b>	<b>49,864.13</b>	<b>48,320.26</b>	<b>47,818.04</b>	<b>46,664.84</b>	<b>19,231.35</b>	<b>11,333.96</b>
	<b>Net worth represented by:</b>						
	<b>Shareholder's funds</b>						
	<b>Share capital</b>						

	Equity Share capital	30,780.00	5,117.78	5,117.78	5,117.78	2,500	1,529.31
<b>G.</b>	<b>Total Share capital</b>	<b>30,780.00</b>	<b>5,117.78</b>	<b>5,117.78</b>	<b>5,117.78</b>	<b>2,500</b>	<b>1,529.31</b>
<b>H.</b>	<b>Reserves and surplus</b>						
	General reserves	397.23	397.23	397.23	281.91	182.43	73.09
	Net surplus in the statement of profit and loss	6,089.63	4,900.79	4,398.57	3,360.69	2,285.89	1,301.84
	<b>Total reserves and surplus</b>	<b>6,486.86</b>	<b>5,298.02</b>	<b>4,795.80</b>	<b>3,642.60</b>	<b>2,468.32</b>	<b>1,374.93</b>
<b>I.</b>	Share Premium	12597.26	37,904.46	37,904.46	37,904.46	14,263.03	8,429.72
<b>J.</b>	Share Application money	-	-	-	-	-	-
	<b>Net Worth (G + H + I + J)</b>	<b>49,864.13</b>	<b>48,320.26</b>	<b>47,818.04</b>	<b>46,664.84</b>	<b>19,231.35</b>	<b>11,333.96</b>

**STATEMENT OF PROFIT AND LOSS, AS RESTATED**

(₹ In '000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Incomes:</b>						
Revenue from operations	9,105.82	16,435.30	13,607.94	14,008.68	21,744.24	12,613.51
Other income	951.29	995.25	650.73	142.84	202.80	88.32
<b>Total revenue</b>	<b>10,057.11</b>	<b>17,430.55</b>	<b>14,258.67</b>	<b>14,151.52</b>	<b>21,947.04</b>	<b>12,701.83</b>
<b>Expenses:</b>						
Purchase of stock-in-trade	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	-
Employee benefit expenses	4,634.92	12,699.54	9785.00	7,610.93	13,414.84	6,124.57
Other expenses	3,447.84	3,120.48	2,247.59	4,248.54	6,688.71	5,342.76
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>1,974.35</b>	<b>1,610.13</b>	<b>2226.08</b>	<b>2,292.05</b>	<b>1,843.48</b>	<b>1234.49</b>
Depreciation and amortization expenses	246.43	588.12	556.96	513.58	241.37	180.43
Finance cost	-	-	-	-	-	-
<b>Restated profit / (loss) before tax</b>	<b>1,727.93</b>	<b>1,022.00</b>	<b>1,669.12</b>	<b>1,778.47</b>	<b>1,602.11</b>	<b>1,054.06</b>
Prior Period Items	-	-	-	1.17	-	6.50
<b>Tax expenses / (income)</b>						
Current tax	551.11	564.41	538.31	646.61	499.98	291.97
Deferred tax	(12.02)	(44.62)	(22.40)	(63.53)	8.74	24.73
Fringe benefit tax						
<b>Total tax expenses</b>	<b>539.09</b>	<b>519.79</b>	<b>515.91</b>	<b>583.08</b>	<b>508.72</b>	<b>316.70</b>
<b>Restated profit / (loss) after Tax</b>	<b>1,188.84</b>	<b>502.21</b>	<b>1,153.20</b>	<b>1,194.22</b>	<b>1,093.39</b>	<b>730.86</b>

STATEMENT OF CASH FLOWS, AS RESTATED

(₹ In '000)

	Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>						
	Restated profit before tax	1,727.93	1,022	1,669.12	1,777.29	1,602.11	1,047.56
	Depreciation	246.43	588.12	556.96	513.58	241.37	180.43
	Profit on sale of Fixed Asset	-	-	-	-	-	(77.32)
	Gratuity	-	705.48	-	-	-	-
	Prior period Items	-	-	-	1.17	-	-
	Provision for tax and income tax demand	-	-	-	-	-	-
	Foreign exchange Loss/(Gain)	234.59	376.92	(511.12)	(142.84)	(202.80)	13.82
	Provision for Deferred tax Liabilities/ Assets	-	-	-	-	-	-
	Interest income	-	-	-	-	-	-
	Dividend Income	-	-	-	-	-	-
	<b>Operating profit before working capital changes</b>	<b>2,208.94</b>	<b>2,692.52</b>	<b>1,714.97</b>	<b>2,149.21</b>	<b>1,640.68</b>	<b>1,164.49</b>
	<b>Movement in working capital</b>						
	Decrease (Increase) in trade receivables	(7,651.65)	5,240.88	9,140.14	(3,649.02)	(8,099.99)	(1,149.78)
	Decrease (Increase) in inventories						
	Decrease (Increase) in short-term loans and advances	342.01	24,463.11	(284.42)	-	229.67	(229.67)
	Decrease (Increase) in other current assets	(1,192.07)	(435.15)	(125.66)	(19,982.65)	(1,130.68)	(5,284.81)
	Increase (Decrease) in trade payables	(232.16)	119.15	98.17	(52.32)	37.84	(625.68)
	Increase (Decrease) in other current liabilities	14.77	149.91	(3,113.62)	2,200.57	842.82	(87.74)
	Decrease (Increase) in long-term loans and advances	-	-	-	-	-	-
	Increase (Decrease) in short-term provisions	777.20	580.56	6.83	15.35	10.85	42.06
	<b>Cash flow from (used in) operations</b>	<b>(5,732.96)</b>	<b>32,810.99</b>	<b>7,436.40</b>	<b>(19,318.86)</b>	<b>(6,468.80)</b>	<b>(6,171.12)</b>
	Direct Taxes paid including FBT( Net of refunds)	(564.41)	(564.41)	(646.61)	(499.98)	(291.97)	(112.13)
	<b>Net cash generated / (used in) operating activities (A)</b>	<b>(6297.38)</b>	<b>32,246.58</b>	<b>6,789.79</b>	<b>(19,820.01)</b>	<b>(6,760.76)</b>	<b>(6,283.25)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
	Interest Received	-	-	-	-	-	-
	Dividend Received	-	-	-	-	-	-
	(Purchase) / Sale of fixed assets	(97.92)	(153.45)	(298.99)	(2,789.90)	(143.30)	(356.60)
	Long term loan & advances	1.20	-	3.75	1,107.42	-	145.57
	Purchase of Investments	-	-	-	-	-	-
	Sale of Investments	-	-	-	-	-	-

	Profit on sale of investment	-	-	-	-	-	-
	<b>Net cash flow from (used in) investing activities (B)</b>	<b>(96.72)</b>	<b>(153.45)</b>	<b>(295.24)</b>	<b>(1,682.49)</b>	<b>(143.30)</b>	<b>(211.04)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
	Proceeds from issue of share capital (including premium)	355.02	-	-	26,259.21	6,804	9,859.03
	Proceeds from share application money	-	-	-	-	-	(2,346.29)
	Finance Cost	-	-	-	-	-	
	Share issue expenses	-	-	-	-	-	-
	Proceeds from short term borrowing	-	-	-	-	-	-
	Proceeds from long term borrowing from others	-	-	-	-	-	-
	<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,259.21</b>	<b>6,804</b>	<b>7,512.73</b>
	Net Increase / (Decrease) in cash & cash equivalent (A+B+C)	(6,039.08)	32,093.13	6,494.55	4,756.72	(100.06)	1,018.45
	Foreign Exchange Gain/(Loss)	(234.59)	(376.92)	511.12	142.84	202.80	(13.82)
	<b>Increase or decrease in cash and cash equivalents</b>	<b>(6,273.67)</b>	<b>(31,716.21)</b>	<b>7,005.67</b>	<b>4,899.56</b>	<b>102.74</b>	<b>1,004.63</b>
	Cash and cash equivalents at the beginning of the year / Period	45,028.96	13,312.75	6,307.08	1,407.52	1,304.78	300.15
	<b>Cash and cash equivalents at the end of the year/ Period</b>	<b>38,755.29</b>	<b>45,028.96</b>	<b>13,312.75</b>	<b>6,307.08</b>	<b>1,407.52</b>	<b>1,304.78</b>

**Notes:**

- The above cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard-3 “Cash Flow Statement”.
- Previous year’s figures have been re-grouped /re-arranged/re-casted wherever necessary to make them comparable with those of the current year.

## THE ISSUE

### PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

<b>Equity shares offered in the present Issue of Equity shares by our Company</b>	11,12,000 equity shares of ₹ 10/- each for cash at a price of ₹ 57/- per share aggregating to ₹ 633.84 Lakhs
<b>Of which</b>	
<b>Issue reserved for market makers</b>	56,000 equity shares of ₹ 10/- each of for cash at in price of ₹ 57/- per share aggregating ₹ 31.92 Lakhs
<b>Net issue to the Public</b>	10,56,000 equity shares of ₹ 10/- each of for cash at in price of ₹ 57 per share aggregating to ₹ 601.92 Lakhs
<b>Equity shares outstanding prior to the Issue</b>	30,78,000 equity shares
<b>Equity shares outstanding after the Issue</b>	41,90,000 equity shares
<b>Objects of the Issue</b>	Please see the section titled ' <i>Objects of the issue</i> ' on page no 40 of this Prospectus

This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details, please see the section titled '*Issue Related Information*' beginning on page 123 of this Prospectus.

## GENERAL INFORMATION

Our Company was incorporated in the name and Style of 'ILBSG Professional Services Private Limited under the Companies Act, 1956 pursuant to Certificate of Incorporation dated 15<sup>th</sup> April, 2005 issued by the Registrar of Companies, Hyderabad, to engage in Business outsourcing, IT and supporting services. Later on, the name of the Company was changed to Lex Nimble Solutions Private Limited with effect from 17<sup>th</sup> January, 2012. It was recently converted into a public Company vide new certificate dated 18<sup>th</sup> August, 2017.

<b>Registered office</b>	Q3, Module A1, 10 <sup>th</sup> Floor, Cyber Towers, Hitec City, Madhapur, Hyderabad - 500081
<b>Date of incorporation</b>	15 <sup>th</sup> April, 2005
<b>Company Identification Number</b>	U74140TG2005PLC045904.
<b>Address of registrar of companies</b>	2 <sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad - 500 068
<b>Issue Programme</b>	Issue opens on: 12 <sup>th</sup> March, 2018 Issue closes on: 16 <sup>th</sup> March, 2018
<b>Designated stock exchange</b>	SME platform of BSE Limited
<b>Company Secretary and Compliance officer</b>	Ms. Kavitha Somavarapu Q3, Module A1, 10 <sup>th</sup> Floor, Cyber Towers, Hitec City, Madhapur, Hyderabad – 500081

### Board of Directors of the Company:

Name	Designation	DIN
Mr. Praveen Chakravarthy Medikundam	Non-executive Director and Chairman	02816167
Mr. Samuel Alemu	Non-executive Director	03169580
Smt. Sarada Devi Medikundam	Non-executive Director	03258451
Dr. Chandra Sekhar Vanumu	Executive, Whole Time Director	06361980
Mr. Sreenivas Katragadda	Non-executive, Independent Director	07953521
Mr. Jagannmohan Venkata Bukkaraju	Non-executive, Independent Director	07953517
Mr. Nalinkumar Patel	Non-executive, Independent Director	00523404
Mr. Rakesh Choudhary	Non-executive, Independent Director	07934262

For further details pertaining to the educational qualification and experience of our Directors, please see chapter titled 'Our Management' beginning on page no.70 of this Prospectus.

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

### Details of Key Intermediaries pertaining to this Issue and Our Company

#### Lead Manager to the Issue

##### **Quintessence Enterprises Private Limited**

8-2-603/B/33/A/9, B-201, Zahera Nagar,  
Road No.10, Banjara Hills, Hyderabad – 500034, Telangana  
Tel No +91 40 65528262  
E mail: [quintessence@qeplindia.com](mailto:quintessence@qeplindia.com)  
Contact Person: Ms. Lavanya Chandra  
SEBI Registration No: INM000011997

#### Registrar to the Issue

##### **Bigshare Services Private Limited**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis  
Makwana Road, Marol, Andheri East, Mumbai - 400 059  
Tel. No.: +91 – 22 – 6263 8200 / Fax No.: +91 – 22 – 6263 8299

e-mail: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
Investor Grievance Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Contact Person: Mr. Ashok Shetty  
SEBI Regn. No.: INR000001385

### **Statutory Auditors of the Company**

#### **SPC & Associates**

Chartered Accountants  
Flat No.252A, Second floor,  
Lotus Pond Road, MLA Colony,  
Banjara Hills, Road no.12,  
Hyderabad – 500 034, Telangana  
Tel No: +91- 40 – 4011 0181  
E mail: [sundari@sheshaprasad.com](mailto:sundari@sheshaprasad.com)

### **Bankers to the Company**

HDFC Bank Limited  
HITEC City, Plot No.18, Ground Floor, Hardhik Crown,  
Huda Techno Vision Enclave,  
Opp.Cyber Pearl, Madhapur,  
Hyderabad – 500 081, Telangana  
Tel No: +919391107065  
E mail: [jagdish.balla@hdfcbank.com](mailto:jagdish.balla@hdfcbank.com)

### **Bankers to the Issue**

HDFC Bank Limited  
FIG-OPS Department- Lodha, I Think Techno Campus,  
O-3 Level, Next to Kanjumarg Railway Station,  
Kanjumarg (East), Mumbai- 400042  
Tel No: +91-22-30752927/28/2914; Fax No: +91-22-25799801  
E mail: [Vincent.Dsouza@hdfcbank.com](mailto:Vincent.Dsouza@hdfcbank.com), [Siddharth.Jadhav@hdfcbank.com](mailto:Siddharth.Jadhav@hdfcbank.com)  
[Prasanna.Uchil@hdfcbank.com](mailto:Prasanna.Uchil@hdfcbank.com)  
SEBI Registration No: INBI00000063

### **Self-Certified Syndicate Banks**

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

### **Statement of Inter-se Allocation of Responsibilities**

Quintessence Enterprises Pvt. Ltd. is the Sole Lead Manager to this issue, and hence is responsible for all the issue management related activities.

### **Monitoring Agency**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 100 crores. Since the Issue size is below ₹ 100 crores, our Company has not appointed a monitoring agency for this issue. As per Regulation 32(3) of the SEBI Listing Regulations, the audit committee of our Company would be monitoring the utilization of the proceeds of the Issue.

### **IPO Grading**

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

## Trustees

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

## Details of the Appraising Authority

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

## Credit Rating

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

## Expert Opinion

Except for the report of the Statutory Auditor of our Company on the financial statements and Statement of Tax Benefits included in this Prospectus, our Company has not obtained any other expert opinion.

## Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated 7<sup>th</sup> February, 2018. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriters	No. of shares underwritten	Amount underwritten (₹ in lakhs)	% of the total issue size underwritten
Quintessence Enterprises Private Limited 8-2-603/B/33/A/9, B-201, Zahera Nagar, Road No.10, Banjara Hills, Hyderabad – 500 034, Telangana Tel No: +91 40 65528262 E-mail:quintessence@qeplindia.com	11,12,000	633.84	100
<b>TOTAL</b>	<b>11,12,000</b>	<b>633.84</b>	<b>100</b>

In the opinion of our Company's Board of Directors, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

## Details of Market Making Arrangement:

Our Company and the Lead Manager have entered into an agreement dated 7<sup>th</sup> February, 2018 with the following Market Maker to fulfill the obligations of Market Making:

Name	SERNET Financial Services Private Limited
Address	B/201 Hemu Classic Premises CS Ltd, 67, S V Road, Opposite Newera Cinema, Malad West, Mumbai 400064
Tel. No.:	+91 22 2888 7964
SEBI Registration Number	INB011418838
BSE Market maker registration	SMEMM0629812082014

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.

2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. 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 %. (Including the 5 % of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
4. There shall be no exemptions / threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange 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 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. The shares of the company will be traded in continuous trading session. However, as per the SEBI circular no. CIR/MRD/DP/02/2012 dated 20<sup>th</sup> January, 2012 the securities of the Company will be placed in Special pre-open sessions (SPOS) and would remain in Trade for Trade settlement for ten days from the time and day the company gets listed on SME Platform of BSE. The market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint are placement Market Maker. In case of termination of the above-mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
10. **Risk containment measures and monitoring for Market Maker:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc., BSE can impose any other margin as deemed necessary from time-to-time.
11. **Punitive Action in case of default by Market Maker:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will beset by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/fines/suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
12. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
  - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

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

As per the SEBI circular no. CIR/MRD/DP/02/2012 dated 20<sup>th</sup> January, 2012 the securities of the Company will be placed in Special pre-open sessions (SPOS) and would remain in Trade for Trade settlement for ten days from the time and day the company gets listed on SME Platform of BSE.

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

<b>S.No.</b>	<b>Market Price Slab (in ₹ )</b>	<b>Proposed spread (in % to sale price)</b>
<b>1</b>	<b>Upto 50</b>	<b>9</b>
<b>2</b>	<b>50 to 75</b>	<b>8</b>
<b>3</b>	<b>75 to 100</b>	<b>6</b>
<b>4</b>	<b>Above 100</b>	<b>5</b>

**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 the Company, as on the date of the Prospectus and after giving effect to the Issue is set forth below:

(₹ in Lakhs except share data)

S.No	Particulars	Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b><u>Authorised Share Capital</u></b> 57,00,000 Equity Shares of ₹ 10/- each	570.00	--
<b>B.</b>	<b><u>Issued, Subscribed and Paid-Up Share Capital before the Issue</u></b> 30,78,000 Equity Shares of ₹ 10/- each	307.80	
<b>C.</b>	<b><u>Present Issue in terms of the Prospectus (a)</u></b> Public Issue of 11,12,000 Equity Shares at an Issue price of ₹ 57 /- per equity share	111.20	633.84
	<b><u>Which comprises:</u></b>		
	a) Reservation for Market Maker(s) –56,000 Equity Shares of face value of ₹ 10/- each reserved as Market Maker portion at a price of ₹ 57/- per Equity Share	5.60	31.92
	b) Net Issue to the Public of 10,56,000 Equity Shares of face value of ₹ 10/- each at a price of ₹ 57/- per Equity Share	105.60	601.92
	<b><u>Of the Net Issue to the Public</u></b>		
	-5,28,000 Equity Shares of face value of ₹ 10/- each at a price ₹ 57/- per Equity Share shall be available for allocation for investors applying for a value upto ₹ 2 Lakhs	52.80	300.96
	- 5,28,000 Equity Shares of face value of ₹ 10/- each at a price ₹57/- per Equity Share shall be available for allocation for investors applying for a value above ₹ 2 Lakhs	52.80	300.96
<b>D.</b>	<b><u>Issued, Subscribed and Paid-up Share Capital after the issue</u></b> 41,90,000 Equity Shares of ₹ 10/- each	419.00	
<b>E.</b>	<b><u>Securities Premium Account</u></b>		
	<u>Before the Issue</u>	125.97	
	<u>After the Issue</u>	648.61	

*Note: The proposed public Issue was authorized by the Board of Director vide a resolution passed at its meeting held on 5<sup>th</sup> December, 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 11<sup>th</sup> December, 2017.*

### NOTES TO THE CAPITAL STRUCTURE

- i. Other than the Equity Shares, there are is no other class of securities issued by our company.
- ii. Our Company does not have any outstanding convertible instruments as on the date of this Prospectus.

**iii. Details of increase in the authorized Share Capital:**

Since the incorporation of our Company, the Authorized share capital of our Company has been altered in the manner set forth below:

Date of Meeting	Changes in Authorized Share Capital
Upon Incorporation	Authorized capital of Rs.1,00,000/- divided into 10,000 equity shares of Rs.10/- each
2 <sup>nd</sup> January, 2012	Increased to Rs.25,00,000/- comprising of 2,50,000 equity shares of Rs.10/- each
19 <sup>th</sup> May, 2014	Increased to Rs.70,00,000/- comprising of 7,00,000 equity shares of Rs.10/- each
24 <sup>th</sup> July, 2017	Increased to Rs.5,70,00,000/- comprising of 57,00,000 equity shares of Rs.10/- each

**iv. History of Equity Share Capital of our Company**

Date of Allotment/ Date of Fully paid Up	No. of Equity Shares Allotted	Cumulative no. of Equity Shares	Face value (₹)	Issue Price (₹)	Cumulative Securities Premium Account (₹)	Cumulative Paid-up Capital (₹)	Consideration	Nature of Allotment
Incorporation	10,000	10,000	10	10	Nil	1,00,000	Cash	Subscribers to MOA
6 <sup>th</sup> June, 2012	80,301	90,301	10	68.18	46,71,912.18	9,03,010	Cash	Allotment
19 <sup>th</sup> October, 2012	43,523	1,33,824	10	70	72,83,292.18	13,38,240	Cash	Allotment
7 <sup>th</sup> February, 2013	19,107	1,52,931	10	70	84,29,712.18	15,29,310	Cash	Allotment
7 <sup>th</sup> October, 2013	97,069	2,50,000	10	70.09	1,42,62,588.39	25,00,000	Cash	Allotment
31 <sup>st</sup> October, 2014	11,900	2,61,900	10	100.31	1,53,37,277.39	26,19,000	Cash	Rights
23 <sup>rd</sup> December, 2014	2,49,878	5,11,778	10	100.31	3,79,03,759.57	51,17,780	Cash	Rights
26 <sup>th</sup> July, 2017	25,58,890	30,70,668	10	Nil	Nil	3,07,06,680	Nil	Bonus (5:1)
25 <sup>th</sup> October, 2017	7,332	30,78,000	10	48.42	3,81,85,455.01	3,07,80,000	Cash	Preferential Allotment

Date wise allotment details:

Allotment date:	Name of allottee	No. of shares
Incorporation	Mr. Praveen Chakravarthy Medikundam	5,000
	Mr. Samuel Alemu	5,000
6 <sup>th</sup> June, 2012	Lex Nimble Solutions Inc.,	80,301
19 <sup>th</sup> October, 2012	Lex Nimble Solutions Inc.,	43,523
7 <sup>th</sup> February, 2013	Lex Nimble Solutions Inc.,	19,107
7 <sup>th</sup> October, 2013	Lex Nimble Solutions Inc.,	97,069
31 <sup>st</sup> October, 2014	Lex Nimble Solutions Inc.,	11,900
23 <sup>rd</sup> December, 2014	Lex Nimble Solutions Inc.,	2,49,878
26 <sup>th</sup> July, 2017	Lex Nimble Solutions Inc.,	25,08,890
	Smt. Sarada Devi Medikundam	49,925
	Mr. Mavuleti Kasi Lokanadha Raju	15
	Smt. Mavuleti Sree Raja Rajeswari	15
	Mr. Mavuleti Venkata Rama Raju	15
	Ms. Mavuleti Padma	15
	Ms. Mavuleti Udayasri	15
25 <sup>th</sup> October, 2017	Smt.Sarada Devi Medikundam	7,332

Allotments at a price lower than the issue price:

Date of Allotment/ Date of Fully paid Up	No. of Equity Shares Allotted	Face value (₹)	Issue Price (₹)	Name of allottee	Consideration	Nature of Allotment
26 <sup>th</sup> July, 2017	25,58,890	10	NA	Lex Nimble Solutions Inc.,	NA	Bonus (5:1)
				Smt. Sarada Devi Medikundam		
				Mr. Mavuleti Kasi Lokanadha Raju		
				Smt. Mavuleti Sree Raja Rajeswari		
				Mr. Mavuleti Venkata Rama Raju		
				Ms. Mavuleti Padma		
				Ms. Mavuleti Udayasri		
25 <sup>th</sup> October, 2017	7,332	10	48.42	Smt. Sarada Devi Medikundam	Cash	Preferential

The bonus issue on 26<sup>th</sup> July, 2017, as mentioned in the table above, was made by capitalizing the free reserves.

The preferential allotment made on 25<sup>th</sup> October, 2017, as mentioned in the table above, of 7332 shares was allotted to Smt. Sarada Devi Medikundam who is part of the promoter group. The price for the preferential allotment was arrived at the basis of a valuation of shares done by M/s. SPC & Associates, Chartered Accountants vide their report dated 3<sup>rd</sup> August, 2017 arriving at a value of ₹ 48.42 shares including a premium of ₹ 38.42 per equity share based on the Discounted Cash Flow methodology. A copy of the report is included in 'Material contracts and documents available for inspection' enlisted on page no. 176 of this Prospectus.

- v. Our Company has not issued any Equity Shares for consideration other than Cash.
- vi. No Equity Share has been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 or Sections 230-233 of Companies Act, 2013.
- vii. Our Company has not revalued its assets since inception and hence, the question of issuing any Equity Shares till date by capitalizing any revaluation reserves, does not arise.
- viii. Other than the bonus issue and the preferential allotment mentioned in the above table, no other shares were issued at a price lower than the issue price during the past one year.

**ix. Built up of Promoters' capital, Promoters' contribution and Lock-in:**

The Built up of Equity Shares held by Lex Nimble Solutions Inc., the holding company, and the lock-in are traced below. For more details about the holding company, please refer to the section 'Our Promoters' on page no. 82 of this Prospectus.

Mr. Praveen Chakravarthy Medikundam, the other promoter does not hold any shares in the Company.

Date of Allotment / Transfer	Consideration	Nature of Issue	No of Equity Shares	Face Value (₹)	Issue Price/ Acquisition Price/ Transfer Price (₹)	Cumulative no. of Equity Shares	Source of Funds contributed	% Pre-Issue paid up capital	% Post issue paid up capital
<b>Lex Nimble Solutions Inc,</b>									
6 <sup>th</sup> June, 2012	Cash	Allotment	80,301	10	68.18	80,301	Own funds		
19 <sup>th</sup> October, 2012	Cash	Allotment	43,523	10	70	1,23,824	Own funds		
7 <sup>th</sup> February, 2013	Cash	Allotment	19,107	10	70	1,42,931	Own funds		
7 <sup>th</sup> October, 2013	Cash	Allotment	97,069	10	70.09	2,40,000	Own funds		
31 <sup>st</sup> October, 2014	Cash	Allotment	11,900	10	100.31	2,51,900	Own funds		
23 <sup>rd</sup> December, 2014	Cash	Allotment	2,49,878	10	100.31	5,01,778	Own funds		
26 <sup>th</sup> July, 2017	NA	Bonus (5:1)	25,08,890	10	NA	30,10,668	NA		
		TOTAL				30,10,668		97.81	73.36

Details of transfers are detailed below:

Date of transfer	Transferor's name	Transferee's name	Number of equity shares transferred	Face value (₹)	Consideration and amount (₹)	Source of funds
29 <sup>th</sup> December, 2012	Praveen Chakravarthy Medikundam	Sundareswara Rao Medikundam	5,000	10	50,000	Own funds
29 <sup>th</sup> December, 2012	Samuel Alemu	Sarada Devi Medikundam	5,000	10	50,000	Own funds
13 <sup>th</sup> May, 2017	Sundareswara Rao Medikundam	Sarada Devi Medikundam	5,000*	10	Nil	NA
13 <sup>th</sup> May, 2017	Sarada Devi Medikundam	Mavuleti Kasi Lokanadha Raju	3	10	285	Own funds
		Mavuleti Sree Raja Rajeswari	3	10	285	Own funds
		Mavuleti Venkata Rama Raju	3	10	285	Own funds
		Mavuleti Padma	3	10	285	Own funds
		Mavuleti Udayasri	3	10	285	Own funds

\* Smt. Sarada Devi Medikundam acquired the 5000 shares through transmission on the death of her husband, Sri. Sundareswara Rao Medikundam.

**Shareholding of our promoters and promoter group:**

S.No.	Name of the promoter shareholder	Pre – Issue		Post - Issue		Shares pledged or otherwise encumbered		
		No, of equity shares	As a % of issued share capital	No, of equity shares	As a % of issued share capital	Number	As a %	As a % of grand total
<b>A</b>	<b>Promoters</b>							
1	Lex Nimble Solutions Inc.,	30,10,668	97.81	30,10,668	71.85	--	--	--
2	Mr. Praveen Chakravarthy Medikundam	--	--	--	--	--	--	--
<b>B.</b>	<b>Promoters Group</b>							
1	Smt. Sarada Devi Medikundam	67,242	2.18	67,242	1.60	--	--	--
	<b>TOTAL (A+B)</b>	<b>30,77,910</b>	<b>99.99</b>	<b>30,77,910</b>	<b>73.45</b>	<b>--</b>	<b>--</b>	<b>--</b>

The average cost of acquisition of shares or subscription of shares held by our promoter, Lex Nimble Solutions Inc., is set forth below:

S.No.	Name of the promoter	Number of shares held	Average cost of acquisition (₹)
1	Lex Nimble Solutions Inc.,	30,10,668	14.26

**x. Promoter’s contribution and lock-in:**

Pursuant to the Regulation 32(1)(a) of the SEBI ICDR Regulations, an aggregate of 20% of the post-Issue shareholding of the Promoters shall be locked-in for a period of three years from the date of allotment in the Issue. Mr. Praveen Chakravarthy Medikundam promoter director of Lex Nimble Solutions Inc., on behalf of this company which is the holding company and therefore, one of the promoters of our Company, has by a written undertaking dated 11<sup>th</sup> January, 2018 given the consent for including the Equity Shares held by Lex Nimble Solutions Inc., as a part of Promoter’s Contribution, details of which are set out below:

Summary of shares under lock –in for three years:

Name of the promoter	No. of shares	% of post issue capital
Lex Nimble Solutions Inc.,	8,38,000	20

**Eligibility of Share for “Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009**

Reg. No.	Promoters minimum contribution - conditions	Eligibility status vis a vis the conditions
33(1)(a)(i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction	The minimum Promoters ‘contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
33 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters’ contribution	Our Company has not issued any bonus shares out of capitalization of Free Reserve & Surplus of the Company and no revaluation reserves or unrealized profit was involved in such issuance. <b>Hence Eligible</b>

33 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
33 (1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	Our Company has not been formed by the conversion of a partnership firm into a company. Accordingly, the minimum Promoters' contribution does not consist of any such Equity Shares. <b>Hence Eligible</b>
33 (1) (d)	Specified securities pledged with any creditor.	Our promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>

#### Details of Share Capital Locked in For One Year:

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 30,78,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### Other requirements in respect of lock-in:

a) In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Subject to the following:

- (i) the pledge of shares is one of the terms of sanction of the loan; and
- (ii) if the shares are locked in as Promoters' contribution for three years under Regulation 36 of the SEBI (ICDR) Regulations, such shares may be pledged, only if, in addition to fulfilling the requirements of paragraph (i), the loan has been granted by the banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

b) In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 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 SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

c) Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

**xi. Our shareholding pattern**

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

Category (I)	Category of share holder (II)	No. of share holders (III)	No. of fully paid up equity shares held (V)	No. of partly paid up equity shares held (VI)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares Held (VII) = (IV)+(V)+(VI)	Share holding As a % Of total No. of Shares (calculated As per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights Held in each class of securities (IX)			No of Under Lying Out Standin g Convert ible Securi ties (incl. Warrant s) (X)	Share Holding As a % Assuming Full Convertible Securities (as a % of Diluted Share Capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise Encumbered (XIII)		No. of Equity shares Held In De-mat form (XIV)
								No. of voting rights	Total As a % of (A+B+C)				No. (a)	As a % of total share held (b)	No. (a)	As a % of Total share held (b)	
								Class - Eg: X	Class - Eg: Y	Total							
(A)	Promoter & promoter group	2	30,77,910	-	-	30,77,910	99.99				-	-	-	-	-	-	30,77,910
(B)	Public*	5	90	-	-	90	0.01										90
(C)	Non Promoter Non Public	-	-	-	-	-											
(C1)	Shares underlying DRs	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
	TOTAL	7	30,78,000			30,78,000	100										30,78,000

\* May apply for shares in the IPO.

**Shareholding of promoter and promoter group:**

Category (I)	Category and name of share holder (II)	PAN of the shareholder (III)	No. of fully paid up equity shares held (V)	No. of partly paid up equity shares held (VI)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares Held (VII) = (IV)+(V)+(VI)	Share holding As a % Of total No. of Shares (calculated As per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights Held in each class of securities (IX)			No of Under Lying Out Standing Convertible Securities (incl. Warrants) (X)	Share Holding As a % Assuming Full Convertible Securities (as a % of Diluted Share Capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise Encumbered (XIII)		No. of Equity shares Held In De-mat form (XIV)
								No. of voting rights	Total As a % of (A+B+C)				No. (a)	As a % of total share held (b)	No. (a)	As a % of total share held (b)	
								Class - Eg: X	Class- Eg: Y	Total							
<b>(A)</b>	<b>Indian Individual</b>																
	Sarada Devi Medikundam	AFZPM0373G	67,242	-	-	67,242	2.18	-	-	-	-	-	-	-	-	-	67,242
<b>(B)</b>	<b>Foreign entity</b>																
	Lex Nimble Solutions Inc.,	AADCL4097L	30,10,668	-	-	30,10,668	97.81	-	-	-	-	-	-	-	-	-	30,10,668
	<b>TOTAL</b>		<b>30,77,910</b>			<b>30,77,910</b>	<b>99.99</b>										<b>30,77,910</b>

We have entered into a tripartite agreement with NSDL and CDSL and received the ISIN No. being INE860Y01019. In terms of SEBI circular bearing no. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearings no. SEBI/CIR/ISD/05/2011 dated September 30, 2011, our Company shall ensure that the Equity Shares held by the Promoter and Promoter Group shall be in dematerialized prior to the filing of Prospectus with the ROC.

Our Company will file the shareholding pattern, in the form prescribed under Regulation 31 of the Listing Regulations, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of BSE before commencement of trading of such Equity Shares.

The shareholding structure of our Promoter company, Lex Nimble Solutions Inc., is disclosed under the head 'Our Promoters' on page no. 82 of this Prospectus.

### xii. The Top Ten Shareholders of our Company and their Shareholding:

We have 7 (seven) shareholders and their shareholding as on the date of filing of the Prospectus and 10 days prior filing of the Prospectus is as follows:

S. No	Names	Shares Held	% share held
1	M/s. Lex Nimble Solutions Inc.,	30,10,668	97.81
2	Smt. Sarada Devi Medikundam	67,242	2.18
3	Mr. Mavuleti Kasi Lokanadha Raju	18	0.002
4	Smt. Mavuleti Sree Raja Rajeswari	18	0.002
5	Mr. Mavuleti Venkata Rama Raju	18	0.002
6	Ms. Mavuleti Padma	18	0.002
7	Ms. Mavuleti Udayasri	18	0.002
	<b>TOTAL</b>	<b>30,78,000</b>	<b>100</b>

Two years prior to the date of filing of the Prospectus our shareholders and their shareholding is as follows:

S. No	Names	Shares Held	% share held
1	M/s. Lex Nimble Solutions Inc.,	5,01,778	98.05
2	Smt. Sarada Devi Medikundam	5,000	0.98
3	Late Sri. Sundareswara Rao Medikundam	5,000	0.97
	<b>TOTAL</b>	<b>5,11,778</b>	<b>100</b>

None of our Directors or Key Managerial Personnel hold any Equity Shares in our Company, except as disclosed in the chapter titled 'Our Management' beginning on page no. 70 of the Prospectus.

There are no Equity Shares that have been purchased / acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within 6 (six) months immediately preceding the date of filing of this Prospectus other than the transmission of shares, bonus issue and preferential allotment, all of which have been detailed under the head History of Equity Share capital of the Company on page no. 29 of this Prospectus.

Our Company, our Promoter, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through the Prospectus.

None of our Promoter, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of 6 (six) months immediately preceding the date of filing of this Prospectus.

As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.

As on the date of this Prospectus, the entire Issued, Subscribed and Paid-up Share Capital of our Company is fully paid up.

An applicant cannot make an application more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

Since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.

As on the date of this Prospectus, none of the shares held by our Promoter / Promoter Group are subject to any pledge.

Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Prospectus.

There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares have been listed or application money is refunded on account of failure of the Issue.

Our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares), whether preferential or otherwise, except that if we enter into acquisition(s) or 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.

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.

An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the minimum allotment lot and multiple of one share thereafter, 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.

Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

The unsubscribed portion in any reserved category, if any, may be added to any other reserved category.

The unsubscribed portion, if any, after such inter adjustment among the reserved categories shall be added back to the net offer to the public portion.

Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

As per RBI regulations, OCBs are not allowed to participate in this Issue.

Our Company has not raised any bridge loan against the proceeds of this Issue.

Our Company shall comply with such accounting and disclosure norms as specified by SEBI, stock exchange and such other regulatory authorities from time to time.

Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue.

We have 7 (seven) shareholders as on the date of filing of the Prospectus.

No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoter to the persons who receive allotments, if any, in this Issue.

This is the first time our Company is coming out with an Initial Public offering since its incorporation.

There are no safety net arrangements for this public issue.

Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group between the date of filing the Prospectus and the Issue Closing Date shall be reported to Stock Exchange within twenty-four hours of such transaction being completed.

For the details of transactions by our Company with our Promoter Group, Group Companies during the period ended please refer to paragraph titled '*Statement of Transactions with Related Parties, as Restated*' in the section titled '*Financial Information*' beginning on page no. 89 of the Prospectus.

## SECTION IV: PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Company plans to raise ₹ 633.84 lakhs through this IPO for the purpose of expansion of business.

1. Foraying into CMMI consulting.
2. Establishment as an ISO certifying body.
3. Customisation of the product SimpleLaw for the Indian market.
4. General Corporate purposes.
5. Issue Expenses.

#### Requirement of funds:

The table below summarizes the requirements of funds:

S. No	Particulars	Cost (₹ in lakhs)
1.	Foraying into CMMI consulting	159.03
2.	Establishment as an ISO certifying body	159.03
3.	Customisation of SimpleLaw for the Indian market	190.84
4.	General Corporate Purposes	80.94
5.	Issue Expenses	44.00
	<b>TOTAL</b>	<b>633.84</b>

The entire requirement of funds is proposed to be funded through the proceeds of the proposed Issue. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 4 (2) (g) of the SEBI ICDR Regulations and Clause VII C of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Our fund requirements and deployment thereof are based on the estimates of our management. These are based on current circumstances of our business and are subject to change in light of changes in external circumstances or costs, or in our financial condition and business or strategy. Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

No part of the issue proceeds will be paid as consideration to Promoters, Promoter Group, Group Entities, directors, Key Managerial Personnel and associates.

#### Details of the use of proceeds:

##### 1. CMMI Consulting:

We intend to foray into CMMI consulting that involves guidance, training process development to implement standardized procedures thereby improving their processes and operational performance. CMMI is an acronym for Capability Maturity Model Integration. The Company being CMMI Level 2 certified, is equipped to engage itself in conducting the process of certification and now intends to build a clientele who would engage this service from the Company. The major cost components involved in order to establish ourselves as a CMMI consultant would include hiring, providing infrastructural support, travel, marketing and branding. An estimated break-up of the cost entailed in this exercise is given below:

Particulars	Amount (₹ in lakhs)
Hiring	31.81
Providing infrastructure support	31.81
Travel	31.81
Marketing	31.80
Branding	31.80
<b>TOTAL</b>	<b>159.03</b>

## 2. Establishment as an ISO certifying body:

The Company has initiated the process of submitting an application to the National Board of Accreditation to be empaneled as one of the entities who would be eligible to issue an ISO quality certificate. The Company is keen on focusing in the areas of quality management, serviced management in IT, data and internet security.

Particulars	Amount (₹ in lakhs)
Hiring	31.81
Providing infrastructure support	31.81
Travel	31.81
Marketing	31.80
Branding	31.80
<b>TOTAL</b>	<b>159.03</b>

## 3. Customisation of SimpleLaw for the Indian Market:

SimpleLaw is a web application owned by our holding company that helps to develop one's own online case management and legal collaboration service. It enables a seamless storage of database and interaction among the legal fraternity and their clients including storage of the documentation. This product is a registered IP belonging to our holding company.

We intend to introduce and build this application SimpleLaw in India. For this purpose, we have also executed an IP Royalty license agreement dated 8<sup>th</sup> November, 2017 with our holding company.

We intend to develop a platform to use this application for the Indian business-legal scenario that would streamline data work, data storage and related interactions between a lawyer or a law firm and his client including finding one that would be appropriate for his legal requirement. An estimate of the cost involved in setting up this platform is shared below:

Particulars	Amount (₹ in lakhs)
IT development	38.17
Resource cost	38.17
Infrastructure	38.17
Process development	38.17
Branding	38.16
<b>TOTAL</b>	<b>190.84</b>

## 4. General corporate purposes:

General corporate purposes would be including but not restricted to strategic initiatives to supplement the objectives of this Issue and also our day-to-day functions including capital investments, partnerships, joint ventures, refurbishing our existing facility, brand promotion and such other initiatives or activities as may be approved by the Board.

We confirm that Issue related expenses would not be treated as general corporate purpose and not more than 25% of the funds raised via IPO will be deployed towards this feature.

## 5. IPO related expenses:

The total expenses for this Issue are estimated to be approximately ₹ 44 Lakhs, which is 6.94% of the Issue size. The following is the estimated break-up of public issue expenses:

S.No	Particulars of Expenses	Expenses (₹ in Lakhs)	Expenses as a % of total expenses	Expenses as a % of issue size
1	Management fees including fees and reimbursements of Market Making fees, Selling Commissions, Brokerages, and payment to other intermediaries such as Registrars and other out of pocket expenses	32.00	72.72	5.05
2	Printing & stationery, Distribution, Postage etc.	3.00	6.82	0.47
3	Advertisement and marketing expenses	3.00	6.82	0.47
4	Regulatory and other expenses	6.00	13.64	0.95
	<b>TOTAL</b>	<b>44.00</b>	<b>100</b>	<b>6.94</b>

### Auditor's certificate for deployment of funds

SPC & Associates, Chartered Accountants have vide certificate dated 16<sup>th</sup> February, 2018 have certified the amount, being ₹ 40.35 lakhs, spent with regard to the proposed IPO of the Company. An extract of the same is reproduced below:

PARTICULARS	Amount (₹ in lakhs)
Advance paid to intermediaries	11.98
ROC fees	4.81
Printing expenses	0.57
Advertising and marketing expenses	6.27
Regulatory and other expenses	3.95
Towards establishment as an ISO certifying body	11.50
Auditor's fees	1.27
<b>TOTAL</b>	<b>40.35</b>

### Appraisal:

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. They are dependent on a number of factors which may not be in the control of our management 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 of a monitoring agency as per Regulation 16(1) of SEBI (ICDR) Regulations and therefore, no such agency has been appointed by the Company.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, the Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, the Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of the Company.

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

**Estimated schedule of implementation and deployment of funds:****(₹ in lakhs)**

S.No	Particulars	Already incurred	2017-18	2018-19	2019-2020	2020-21
1	Foraying into CMMI consulting	3.28	10.00	53.00	53.00	43.03
2	Establishment as an ISO certifying body	14.67	6.00	50.00	49.06	42.29
3	Customisation of SimpleLaw for the Indian market	--	--	64.00	63.00	63.84
4	General Corporate Purposes	--	5.00	27.94	26.00	22.00
5	Issue Expenses	22.40	15.33	--	--	
	<b>TOTAL</b>	<b>40.35</b>	<b>36.33</b>	<b>194.94</b>	<b>191.06</b>	<b>171.16</b>

**Interim Use of Proceeds**

Our management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds of the Issue for the purposes described above, we may invest the funds in highly liquid interest-bearing instruments including money market mutual funds, deposits with bank or temporarily deploy the funds in working capital and other investment grade interest bearing securities as may be approved by the Board. Such investments would be in accordance with the investment policies approved by our Board from time to time and at the prevailing commercial rates at the time of investment. No part of the Issue proceeds will be paid to our Promoters, Directors, Key Managerial Personnel or Promoter Group Company/entity. Further, we confirm that no part of the issue proceeds shall be used to purchase or trade in the equity shares of our company.

## BASIS FOR ISSUE PRICE

Investors should read the following basis with the 'Risk Factors' beginning on page no.10 and the details about 'Our Business' and its 'Financial Information' included in this Prospectus on page nos. 59 and 89 respectively to get a more informed view before making any investment decisions.

### QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are:

- **Business of consulting and certification**

Our Company plans to foray into the business of CMMI consulting and also empanel itself with the National Board of Accreditation for ISO certification. With a number of small and medium sized corporates eager to be quality compliant backed with the Company's experience in consulting and corporate training, the opportunity is of plenty and lucrative.

To achieve this, one of the significant milestones for the Company would be an IPO and listing on the stock exchange that would be help in networking and brand building.

- **Diversified services**

With the new foray, we have diversified our business from being an IT company offering application, development and support. We are also targeting the domestic market for our services and the new plans, as envisaged in the Objects of the Issue, would help in this direction.

- **Experienced Management**

We rely on the experience of our promoters in the consulting business.

### QUANTITATIVE FACTORS

Information presented in this section is derived from our restated financial statements certified by the Statutory Auditors of the Company.

#### 1. Basic Earning Per Equity Share (EPS) (on Face value of ₹ 10 per share)

Year	Earnings per Share (₹)	Weight
FY 2016-17	0.98	3
FY 2015-16	2.25	2
FY 2014-15	3.71	1
<b>Weighted Average</b>	<b>1.86</b>	

- EPS Calculations have been done in accordance with Accounting Standard 20- "Earning per Share" issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

**2. Price / Earnings Ratio (P/E) in relation to the Issue Price of ₹ 57.00**

- a) Based on weighted average EPS of ₹1.86 per share as per Restated Financial Statements, the P/E ratio is 30.64.  
 b) Industry PE:

Industry- Computers Software – Medium / Small	P/E
Highest	811.2
Lowest	2.4
Industry Composite	21.6

(Source: Capital Market Volume XXXII/22, December 18 – 31, 2017: Segment: Computers – Software – Medium / Small)

**3. Return on Net Worth**

Year	RONW (%)	Weight
FY 2016-17	1.04	3
FY 2015-16	2.41	2
FY 2014-15	2.56	1

**4. Minimum return on post Issue Net Worth to maintain the Pre-issue EPS of FY 17 at 31st October 2017 is 1.42 %.**

**5. Net Asset Value per Equity Share**

Particulars	₹
As on 31 <sup>st</sup> March, 2017	94.42
As on seven-month period ending 31 <sup>st</sup> October, 2017	16.24
After Issue	23.06
Issue Price	57

**6. Peer Group Comparison of Accounting Ratios**

We are currently engaged in the business of IT services and the peer group comparison of accounting ratio is as below:

Name of Company	Face Value (₹)	EPS (₹)	P/E Multiple	NAV (₹)	RONW (%)
Excel Realty	10	--	--	17.6	0.2
Intrasoft Technologies Limited	10	--	--	80.2	0.5
HOV Services Limited	10	0.9	249.9	70.1	1.3

(Source: Capital Market Volume XXXII/26, February 12 – 25, 2018: Segment: Computers – Software – Medium / Small)

7. The face value of our shares is ₹ 10/- per share and the Issue Price is of ₹ 57 per share is 5.7 times of the face value.  
 8. The Company in consultation with the Lead Manager believes that the Issue Price of ₹ 57 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment proposition.

## STATEMENT OF TAX BENEFITS

The Board of Directors  
Lex Nimble Solutions Limited  
Q3, Module A-1, 10<sup>TH</sup> Floor, Cyber Towers  
HITEC City, Madhapur, Hyderabad, TG

Dear Sirs

### **SUB: Statement of possible tax benefits available to the Company.**

We hereby confirm that the enclosed Annexure, prepared by **Lex Nimble Solutions Limited ('the Company')**, states the possible tax benefits available to the Company and the Shareholders of the Company under the Income Tax Act, 1961 ('IT Act') presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, based on business imperatives which the Company may face in future, the Company may or may not fulfill.

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general Information to investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the Individual nature of the tax consequences, the changing laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

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

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

The contents of the 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. 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 time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable to **Lex Nimble Solutions Limited** for any claims, liabilities or expenses relating to the assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

Thanking You

Yours Faithfully

For SPC & Associates  
Chartered Accountants  
FRN: 005685S

Sd/-  
Sundari P  
FCA, Partner  
M.No. 217719  
15 December 2017

## Annexure

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

#### A) SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

##### 1. Special benefits Available to the Company

There are no special benefits available to the Company.

#### B) OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS

The following tax benefits shall be available to the Company and its Shareholders under Direct tax law

##### Under the Income-Tax Act, 1961 (“the Act”):

##### I. Benefits available to the Company

###### 1. Depreciation:

As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under.

###### 2. Dividend Income:

Dividend Income, if any, received by the Company from its investment in shares of another domestic Company will be exempt tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.

###### 3. Income from Mutual Funds/Units

As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company: Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or Income received in respect of units from the Administrator of the specified undertaking; or income in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a company as referred to in section 2(h) of the said Act.

###### 4. Income from Long Term Capital gain

As per section 10(38) of the Act, long term capital arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

- (i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- (ii) Which has been set up under a scheme of a Mutual Fund specified, under section 10(23d) of the Act.

As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profit” under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax.

<b>Book Profit</b>	<b>Rate</b>
<= 1 Crore	19.055%
>1 Crore and <= 10 Crores	20.01%
>10 Crores	20.96%

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
6. As per the provisions of Section 112 of the Income Tax Act, 1961, Long-term Capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge, education & secondary and higher education cess). However, as per the provision to section 112(1) if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess)
7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the day of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.  
  
A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1<sup>st</sup> day of April 2006:
  - (i) By the National Highways Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - (ii) By the Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purposes of this section.
8. Since the Company is a Domestic Company & its turnover in the Financial year 2016-17 is less than 50 Crores, it has a Corporate tax benefit of 5% i.e., it shall now pay only 25% as Income Tax (plus surcharge, education cess & secondary and higher education cess) instead of 30%
9. As per section 54EE of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the day of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.  
  
“Long-term specified asset” means a unit or units, redeemable after three years and issued before the 1<sup>st</sup> day of April 2019, of such fund as may be notified by the Central Government in this behalf.
10. As per section 111A of the Act, short-term capital gain arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge, education & secondary and higher education cess)
11. Section 115BBDA is not applicable to a domestic Company where the assessee shall have to pay 10% tax on the Dividend income received over & above ₹ 10 .

## 12. Preliminary Expenses

Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5<sup>th</sup> of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

## 13. Credit for Minimum Alternate Taxes (“MAT”)

Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

## II. Benefits to the Resident Shareholders of the Company under the Income-Tax Act, 1961:

1. As per section 10(34) of the Act, by way of dividends referred to in Section 115-O (i.e. dividends declared distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.
2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement which adjusts the cost of acquisition/improvement by a cost inflation index as prescribed from time to time.
3. Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a Shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.
4. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
5. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge, education & secondary and higher education cess) without indexation benefits, whichever is less.
6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty lakh rupees. In such a case, the cost if such long-term specified asset will not qualify for deduction under section 80C of the Act. However, If the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as a long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.  
  
A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:
  - i. By the National Highways Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - ii. By the Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purposes of this section.
7. As per section 54EE of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the day of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

“Long-term specified asset” means a unit or units, redeemable after three years and issued before the 1st day of April 2019, of such fund as may be notified by the Central Government in this behalf.

8. Under Section 54F of the Income tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
9. As per section 111A of the Act, short-term capital gain arising to the Company from the sale of equity share or a unit of an equity-oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge, education & secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than covered by section 111A of the Income Tax Act, 1961 would be subject to tax as calculated under normal provisions of the Income tax Act, 1961.
10. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head Profit & Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

### **III. Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)**

1. Dividend Income, If any, received by the Company from its investment in shares of another domestic company will be exempt from tax under section 10(34) read with section 115-O of the Income Tax Act, 1961 will also be exempt from tax under section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, when such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to Income which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty lakh rupees. In such a case, the cost if such long-term specified asset will not qualify for deduction under section 80C of the Act. However, If the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as a long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- i. By the National Highways Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - ii. By the Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purposes of this section.
5. As per section 54EE of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the day of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

“Long-term specified asset” means a unit or units, redeemable after three years and issued before the 1st day of April 2019, of such fund as may be notified by the Central Government in this behalf.

6. Under Section 54F of the Income tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
7. As per section 111A of the Act, short-term capital gain arising to the Company from the sale of equity share or a unit of an equity-oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge, education & secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than covered by section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under normal provisions of the Income tax Act, 1961.
8. Section 115-C of the Act defines “Non-Resident Indian”. He has an option to choose to be governed by the provisions of Chapter XIIA of the Act viz., “Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows:
  - i. As per section 115D of the Act read with section 115E, subject to such conditions as may be prescribed, where the gross total income of a Non-Resident assessee consists of only Investment Income or income by way of long term Capital gains or both, the tax payable by him on his total income shall be the amount of income-tax calculated on such total income at the rate of twenty percent (plus surcharge, education cess & Secondary and higher education cess)
  - ii. As per provisions 115-F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
  - iii. As per section 115-G of the Act, Non-Resident Indian are not obliged to file a return under section 139(1) of the Act, if their only source of income is income from specified Investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
  - iv. As per section 115-H of the Act, where the Non-Resident Indians becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of Income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
  - v. As per section 115-I of the Act, a Non-Resident Indian may elect not be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with other provisions of the Act.
9. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the tax treaty, if any, between India and the Country in which the non-resident has fiscal domicile, As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

#### **IV. Foreign Institutional Investors (FIIs)**

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under section 10(34) read with Section 115-O of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long term gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity-oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.
3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

**Nature of Income & Rate of tax (%)**

<b>Nature of Income</b>	<b>Rate of Tax (%)</b>
Long-Term Capital Gain	10%
Short-term Capital Gain (Referred to Section 111A)	15%
Short-term Capital Gain (other than under section 111A)	30%

The above tax rates have to be increased by the applicable surcharge, education cess & Secondary and Higher education cess.

4. In case of Long-Term capital gains, (in cases not covered under section 10(38) of the Act.) the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty lakh rupees. In such a case, the cost if such long-term specified asset will not qualify for deduction under section 80C of the Act. However, If the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as a long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.  
A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:
  - i. By the National Highways Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - ii. By the Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purposes of this section.
6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The Nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII’s could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

**Tax Treaty Benefits**

An Investor has an option to be governed by the provisions of the Income Tax Act, 1961 or the provisions of a Tax Treaty entered into with another country of which the investor is a tax resident, whichever is more beneficial.

**Notes:**

- The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis of listing of all potential tax consequences of the purchase, ownership and disposal of equity shares
- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
- This statement is only intended to provide general Information to the Investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each Investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
- The stated benefits will be available only to the sole/first names holder in case the shares are held by joint shareholders.

## SECTION V: ABOUT THE ISSUER COMPANY

### INDUSTRY OVERVIEW

The IT industry contributed around 7.7% to the country's GDP employing nearly 3.9 million people in India of which more than lakh and a half were added during FY 17.

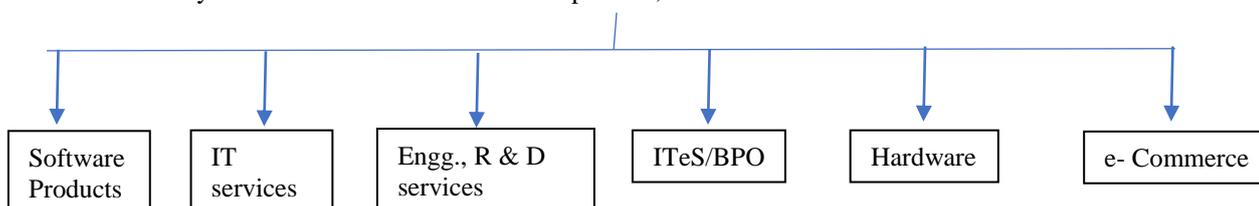
It remains the most lucrative sector for investment ranking 4<sup>th</sup> in the country's total FDI share and accounts for approximately 37% of total Private Equity and Venture Investments in the country. The computer software and hardware sector in India attracted cumulative FDI inflow worth USD 24.67 billion between April 2000 and March 2017.

#### Trends:

- i. The IT-BPM sector expanded at a CAGR of 13.7% over the years 2010 to 2016 which is about four times higher than the global growth. BY 2025 this figure is expected to expand at a CAGR of 9.1% upto USD 350 million.
- ii. India's share in the global market of BPM and sourcing is 38%.
- iii. India is a prominent sourcing destination with 56% market share in the global services sourcing business.
- iv. IT exports is projected to grow at 7-8% in 2017-18. IT-BPM sector accounts for largest share in the total Indian services export which is 45%.
- v. India ranks third among global start-up ecosystems with more than 4500 start-ups.
- vi. The country has the largest pool of ready to hire talent.

#### IT: Scenario in India:

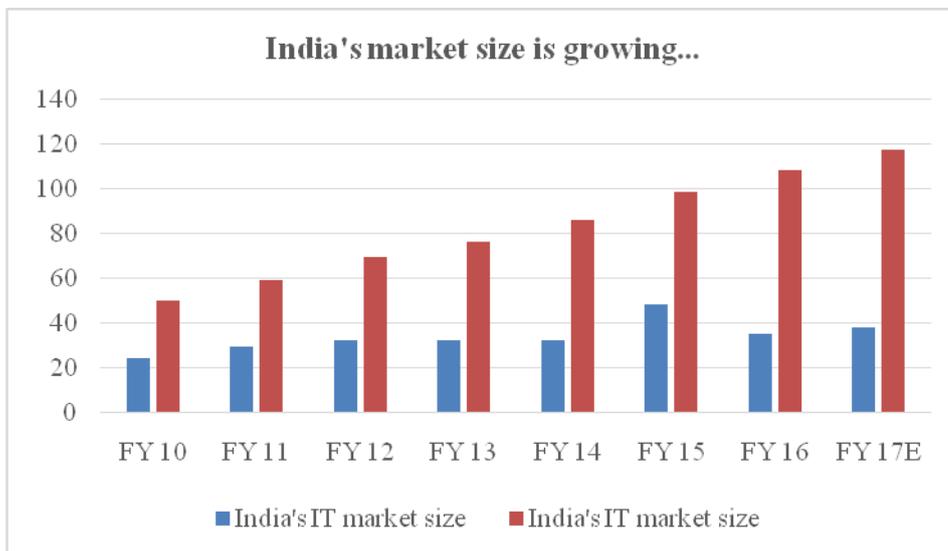
India's IT industry can be divided into six main components,



The market size of IT services is about USD 150 million during 2017 with over 81% of revenue from the export market. BFSI continues to be the major vertical. IT services has about 52% share in the total Indian IT sector revenue in 2017. The top five IT firms contribute over 25% of the total industry overview of around USD 131.11 billion as of 2017, indicating the market is fairly competitive.

The domestic revenue of the IT industry is estimated at USD 38 billion and export revenue is estimated at USD 117 billion in FY 17. The Indian IT sector will benefit significantly from the government's schemes like Digital India, Make in India, and Start Up India.

During the immediately preceding FY 16, the global IT sourcing grew by about 9% YoY. Indian IT companies had a decent year in terms of financial performance, driven by digitization, and non-linear models, and the depreciation of the Indian rupee. Indian IT firms continue to move up the value chain by providing more end-to-end solutions and engaging more closely with clients. The drive towards digital technologies and internal cost optimization hopes to improve profitability.



IT services has been the major contributor constituted 52% of the total IT exports (including hardware) during FY 17.

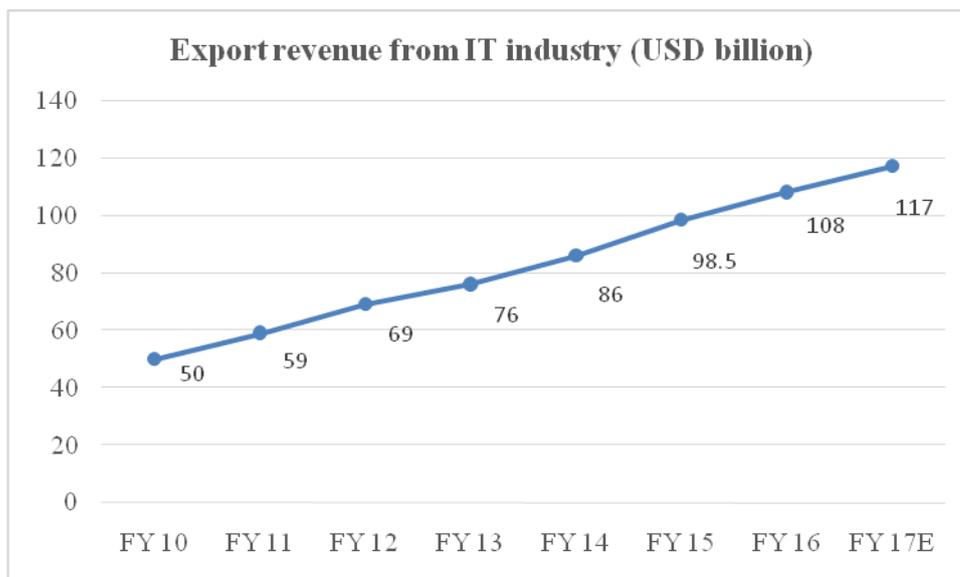
US has been a major importer of services with over 62% absorbed during 2016.

#### Changing business dynamics:

The IT market is experiencing a significant shift from a few large size deals to multiple sized ones. Tier II and III cities are increasingly gaining traction among IT companies aiming to establish business in India. Favorable government regulations, policy support, SEZ schemes etc., are acting as good facilitators. The country accounts for more 56% share in the global services sourcing business.

There has been a tremendous growth in Global In – house centers. During March 2017, there were about 1500 such centers operating out of India representing a USD 23.1 billion industry. The impact goes beyond revenue and employment, developing the country as an R & D hub and creates an innovation ecosystem in the country.

Export revenue is expected to remain robust as global IT industry maintains its growth



## **Advantage India:**

### **i. Opportunities:**

New geographies and verticals provide huge opportunities. At the same time, increasing competition, pressure on billing rates of traditional services and increasing commoditization of lower-end services are among the key reasons forcing the Indian software industry to make a fast move up in the software value chain.

### **ii. Talent pool**

India IT companies currently serve two thirds of the fortune 500 companies and have created 40 direct jobs in India

NASSCOM has confirmed that the industry continues to be a net hirer and reports that:

- 2.5-3 million new jobs will be created by 2025.
- In FY 2017, the industry added 1,70,000 new jobs

IT industry added 600,000 in last three years and today, boasts of a total employee base of 3.9 million

### **iii. Policy support**

The Government of India has been initiating steps to boost the IT sector. IT-SEZs have been developed leading to infrastructural development, exports and employment. As on 31<sup>st</sup> March 2017, there were over 218 operational SEZs across the country. Telangana Government is planning to set up more IT hubs beyond Hyderabad and has sanctioned USD 3.7 million to develop IT incubation centers in Khammam and Karimnagar districts and decentralise the IT sector.

## **Challenges**

Emerging protectionist policies in the developed world are expected to affect the Indian IT companies. Due to US restrictions on visas as well as rising visa costs, most Indian IT companies have subcontracted onsite jobs to local employees in the US and have begun hiring locals. This has adversely affected margins of Indian IT companies. Billing rates are expected to remain under pressure due to commoditization of traditional services. Therefore, companies are expected to preserve their margins through effective cost containment measures like shifting more work offshore, improving employee utilization and increasing the use of automation software.

## **Certifications: an opportunity:**

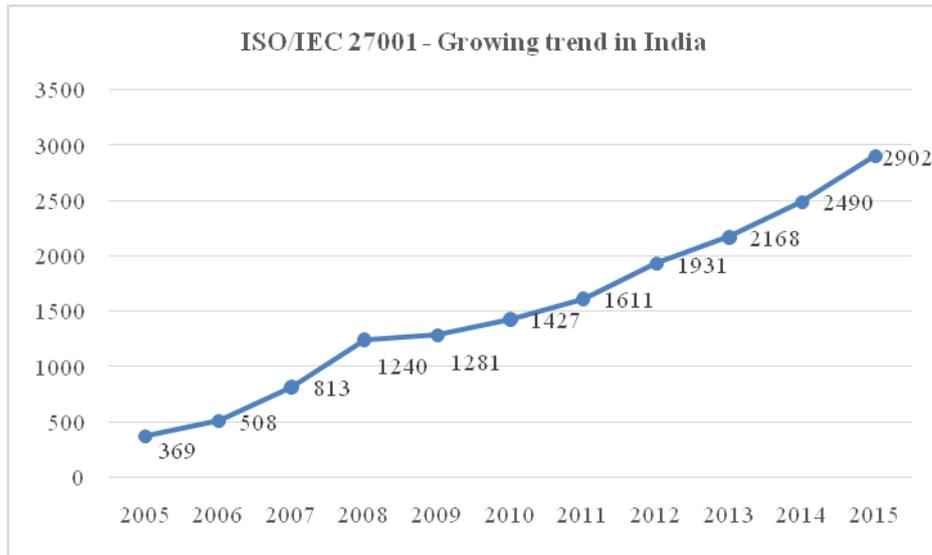
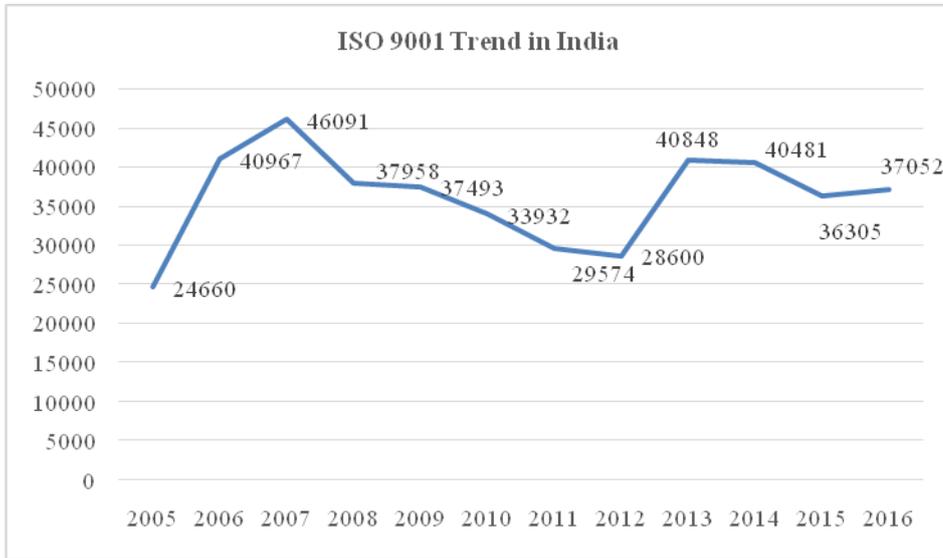
One of the objects of the Issue is the Company's plan to foray into becoming a quality certifying agency and assisting other corporates in obtaining this certification by assisting them in the preparation and the process itself.

The ISO is a family of quality management systems designed to help organizations ensure that they meet the needs of customers and other stakeholders while meeting statutory and regulatory requirements related to a product or programme. The rules and regulations are promulgated by the International Organisation for Standardization and hence the acronym, ISO. Certification with ISO confirms that the business is following the guidelines set by ISO and can be used to boost the business's image. The latest version is the ISO 9001:2015 that specifies requirements for Quality Management System.

The top five industrial sectors in this area of certification have been basic metal and fabricated metal products, electrical and optical equipment, construction, wholesale and retail trade and machinery & equipment. 43.4% of the corporates, world over, that are ISO 9001 certified, belong to East Asia and Pacific region.

In India, companies opting for ISO 9001 certification have steadily been increasing. During the year 2014 this number stood at 40,481. Though this number has come down to 37,052, corporates are looking at ISO/IEC 27001, being the next level of certification. ISO/IEC 27001 is a specification for an information security management system (ISMS). An ISMS is a framework of policies and procedures that includes all legal, physical and technical controls involved in an organisation's information risk management processes.

The number of companies that are ISO/IEC 27001 compliant stands at 2902 compared to 2490 in 2015. East Asia and Pacific region continues to lead this space with a share of 44.2% closely followed by Europe.



The National Accreditation Board for Certification Bodies, an arm of the Quality Council of India, lists down the various entities qualified as certifying bodies under various quality measurement systems.

**NABCB Accreditations at Glance (as on 30 June 2017)**

Scheme	Accreditations	Applications
Quality Management Systems (QMS)	36	03
Environmental Management Systems (EMS)	09	01
Inspection Bodies (IB)	36	16
Food Safety Management Systems (FSMS)	13	06
Occupational Health and Safety Management Systems (OHSMS)	05	01
Product Certification (PCB)	07	08
Information Security Management Systems (ISMS)	03	03
Energy Management Systems (EnMS)	04	01
Information Technology Service Management Systems (ITSMS)	01	-
Personnel Certification (PrCB)	-	02
Road Traffic Safety Management Systems (RTSMS)	-	-
Trustworthy Digital Repositories Management Systems (TDRMS)	01	

Of the above the Company is focusing specifically to enter into Quality Management Systems (QMS), Inspection Bodies (IB), Product Certification (PCB), Information Security Management Systems (ISMS) and Personnel Certification (PrCB).

**CMMI Certification:**

Capability Maturity Model Integration (CMMI) is a process level improvement training and appraisal program. Administered by the CMMI Institute, a subsidiary of ISACA (earlier known as the Information Systems Audit and Control Association), it was developed at Carnegie Mellon University (CMU). CMMI is a set of related "best practices" derived from industry leaders and relates to product engineering and software development. While CMMI is a process model, ISO is an audit standard.

The CMMI Institute announced that 1,920 organizations earned a Capability Maturity Model Integration (CMMI) appraisal in 2015, an 18 percent global increase in the number of completed appraisals. Driven by the commitment among global business leaders to assess their organization's strengths and weaknesses, CMMI continues to successfully guide organizations as the global standard for performance improvement.

*(Sources: Report on IT and ITeS July,2017 released by the Indian Brand Equity Foundation, a joint initiative of CII and Ministry of Finance; NASSCOM data found in equitymaster.com; PIB of the Ministry of Electronics and IT, Government of India, Business Wire, ISO Survey of certifications, ISO Standards Development, isotc.iso.org)*

## BUSINESS OVERVIEW

Our Company was incorporated in the name and Style of 'ILBSG Professional Services Private Limited under the Companies Act, 1956 pursuant to Certificate of Incorporation dated 15<sup>th</sup> April, 2005 issued by the Registrar of Companies, Hyderabad, to engage in Business outsourcing, IT and supporting services. Later on, the name of the Company was changed to Lex Nimble Solutions Private Limited with effect from 17<sup>th</sup> January, 2012. It was recently converted into a Public Company vide new certificate dated 18<sup>th</sup> August, 2017. Our corporate identification number (CIN) is U74140TG2005PLC045904. The Company became a subsidiary of Lex Nimble Solutions Inc., in the year 2012 and hence, the change of name during that year. The holding company has helped us in building our business and brand through all these years. Now we seek to expand our operations in the domestic market for which we seek funds as envisaged in the section "Objects of the Issue" through an IPO consequently, diluting the holding company's stake in our Company.

The Company is engaged in business of Appraisal Advisory, Certification, training and related services on quality models, IT product and development and services. The major revenue streams are:

### i. IT application development, maintenance and support.

We offer back office support in developing customer centric applications along with maintenance and support services. These applications are primarily developed by Lex Nimble Solutions Inc., our holding company and ILBSG LLP, USA which is our promoter group venture. These two entities are also our major customers. Some of the products developed in this space are:

- a. **MyESQ.NG** is a complete integrated portal for the entire lifecycle management of petitions of over fifty-two types, covering the requirements of customers, petitioners, and Attorneys for immigration management. The portal is integrated with Android and IOS mobile applications.
- b. **SimpleLaw** is a collaboration platform for lawyers, clients, paralegals and law firm back offices. It is a cloud based case management system for lawyers to streamline law practice, case management, client communication, conversations, collaborate with other lawyers and therefore, building their own legal ecosystem. The portal is integrated with Android and IOS mobile applications.
- c. **MemberPlus** is a dynamic web application for posting the latest articles and news pertain to immigration law. The application allows the attorneys to publish new articles and notify the customers. The customers can access the news using web application and mobile application.
- d. **KaizenTree** is a software development lifecycle automation application to automate the complete workflows for agile scrum based work flow management for software development. The tool allows the users to track the issues, assignments, time sheets and pending task, track risk, and issues.
- e. **LexQ-Track** is an integrated portal for automating the third-party certification body operations. From proposals to certification all workflows are defined in the portal. The portal is under development and beta version has been released for testing.
- f. **vTrack 2.0** is a generic case tracking system to sort out software defects, project related issues, customer support issues, insurance claims, inter department issues, if any, in an organization.
- g. **Immitrack** is the most advances immigration law office automation system, highly scalable and can be easily configured to meet any legal and regulatory requirement.

### ii. Development and maintenance of portals and mobile applications.

We offer support in developing and maintaining enterprise information portals or corporate portals that is the framework for integrating information, people and processes across organizational boundaries. It provides a unified access point in the form of web – based user interface and is designed to aggregate and personalise information through application-specific portlets.

We also develop location aware mobile solutions that integrate with the core business applications of a company thereby helping in anytime / anywhere information retrieval and decision making, we have been able to use our proprietary Java based mobile application framework successfully to build mobile solutions.

Some of the recent works done in this domain include, development of mobile application and web application compatibility for Dubai port authority.

### iii. Corporate training:

Our corporate training and consulting revolves around the certification process. Our customized training includes understanding client specific needs and training them to become equipped in the following domains for which we house an expertise. A snapshot of some of the tools or business models of training that we use and implement are shared herein:

a. **Agile – Scrum:**

Agile Scrum is a structured project management process framework for rapid development of applications. It is based on Agile principals and emphasises on short sprints of two to four weeks. Scrum promotes best practices such as Sprint planning meeting, Daily scrum call, frequent inspection and adaptation to changes, teamwork, self-organization and accountability for quality. Scrum is an agile framework for completing complex projects. It can be used for small projects to large projects involving multiple scrum teams.

b. **ISO training and implementation assistance:**

This includes interpretation, documentation workshop, process facilitation, internal auditing, performance improvement including end to end consulting till certification and post certification assistance for standards such as ISO 9001:2015, ISO 27001:2013, ISO 20000-1:2011, TS 16469, AS 9100 etc.,

c. **Six Sigma and Lean Sigma - training, consulting and project selection and implementation assistance:**

This includes training for individuals and corporates. The trainings include basic introduction, green belt training, black belt training and tailor-made trainings to suit organization requirements. Consulting projects includes, training potential group for identification of six sigma projects, help them steer towards success.

d. **Project management, training and consulting:**

Customized project management training to suit the needs and build technical competence of project teams. The programs are tailored to meet individuals needs form basic awareness to advance certifications. Typical training includes structured methods in project management, requirements management process, risk management process, project cost management.

e. **Customized training:**

Introduction to structured methods in software testing, software estimations, requirements management, software engineering, essential skills for new project managers, project facilitation skills, risk management, process performance modelling etc.,

f. **Technology training:**

Introduction to mobile application development using Android, iOS, web and mobile applications security testing.

g. **CMMI development and Software Version Control (SVC):**

The Company provides CMMI consulting including high maturity training, statistical process modelling and process control. The holding company, Lex Nimble Solutions, Inc (USA) being an authorized transition partner for CMMI institute is an additional strength for the company in providing its services.

### iv. Consulting:

We have done several assignments in the areas of Quality management system implementation, Six sigma implementation, Information security consulting, Security testing related assignments.

Our solution portfolio includes:

- a. **Quality System consulting:** This includes a comprehensive study of the organisation process and coming out with recommended strategy in defining the quality management system which enhances the business process to achieve desired results.
- b. **Information Security consulting:** This includes a comprehensive study of the Information security infrastructure and provide recommendations that would help the companies achieve desired level of confidence on various Information Security Management Systems (ISMS) aspects of IT and Software infrastructure.
- c. **Project Management consulting (PMO):** This service portfolio includes studying the projects and project management office needs of the customers and coming out with recommended strategy to run the project for optimum results pertaining to Cost performance, schedule performance,
- d. **IT service management consulting:** This includes comprehensive strategy for meeting various service needs of the organisation from a service request fulfilment, incident management and problem management. We provide comprehensive set of process meeting the best practices and help the customer in optimising the service delivery cost.
- e. **Six Sigma Consulting:** This comprehensive service comprising of the training potential leaders and identification of project that would help the customer achieve their goals.

- f. Case Management – Business process automation is made easy. We try to understand specific needs, business processes, customer service philosophy and growth plans to suggest an optimal solution.
- g. Customer Relationship Management – respond faster to customers and therefore, better relations.
- h. Business Intelligence – Right information at the right time to the right person at any location. We offer analytical solutions across horizontal functional analytics (BPM, CRM, Finance, HR, etc.) and multiple domain verticals (Legal, IT/ITES, Manufacturing, Retail, Telecom, Healthcare, Banking, etc).

**New Opportunities to be explored:**

The Company recently acquired the CMMI level 2 certification and now plans to foray into new segments of business.

**i. Consulting services to prepare for CMMI certification.**

CMMI or Capability Maturity Model Integration can be adapted to solve any performance issue at any level of the organization in any industry for which the model provides guidelines and recommendations. In order to provide consulting services for this certification the Company plans to follow a seven- step model as described below:

**a. Decision to proceed**

This includes identification of teams for design and process quality, freezes the scope of assessment, initial training on quality management systems to the core team and identification of resource requirements.

**b. Current position assessment.**

Assessing the current company position through formal audit, the gaps in the business process and design teams, preparation of activity-based project plan indicating the time frame.

**c. Initial preparation phase.**

Conducting awareness workshops for process and design teams, preparation of responsibility matrix, framing of standard software development process, quality policy, documentation methodology, identification of standard exclusion, conducting initial training on documentation requirements, preparation of quality manual release for comments.

**d. Documentation process phase.**

Conducting training workshop for procedure documentation for core committee and process teams, finalizing of Quality System, identifications of sub procedures and work instructions / standards, development of procedures for all PA'S and designing of formats, finalizing of procedures and formats with Process Group, issue of controlled copies of documentation across the organization.

**e. Implementation phase.**

Conducting training workshops on Quality Management System (QMS), revising of documents if required and fine tuning the QMS, flagging the implementation activity, implementation assistance including document and data control, assisting in conducting one round of management review.

**f. Internal audit phase.**

Release of internal audit plan, preparation of internal audit checklists, conducting one round of audit involving the internal auditors, initiating corrective and preventive actions of audit nonconformities noticed, conducting second round of management review, freezing all the procedures in view of the certification of audit, conducting shortfall training's if any

**g. Assessment audit phase.**

Conducting one round of second party assessment called The Standard CMMI Appraisal Method for Process Improvement (SCAMPI) assessment before calling the Assessment body which is the CMMI for certification.

**ii. ISO certification services.**

We provide certification services for ISO 9001:2015, ISO 20000-1:2011 and ISO 27001:2013 each represents a standard of quality.

ISO 9001:2015 stands for quality management and is one of the world's most widely recognized quality management systems. The standards provide guidance and tools for companies and organizations who want to ensure that their products and services consistently meet customer's requirements, and that quality is consistently improved and managed across all operations, and outlines ways to achieve, as well as benchmark, consistent performance and service.

ISO 20000-1:2011 represents Service Management System in Information Technology helping to be cost effective, reliable, consistent and efficient be it an internal IT services or provider of IT services as an outsourced service provider.

ISO 27001:2013 stands for Information Security Management Systems. This helps an organization to manage the security of its assets such as financial information, intellectual property, employee details or information entrusted by third parties. This is the best-known standard in the family providing requirements for an information security management system.

The three broad steps required and followed in any ISO certification process are:

- a. **Application:** Registration is done by completing the Quote Request Form for the desired standard, be it ISO 9001:2015, ISO 20000-1:2011 or ISO 27001:2013. This form provides information about the client organization and helps in accurately defining the scope of certification and the assessment duration.
- b. **Assessment:** This is undertaken against the specific requirements of the chosen Standard. This consists of two mandatory visits that form the Initial Certification Audit. The purpose of this audit is to confirm that the organization is ready for full assessment.
- c. **Certification:** This is issued on successful completion of the assessment that takes place after the initial certification audit. Certification is maintained through a program of annual surveillance audits and a three yearly recertification audit.

Post certification, a surveillance audit is carried out periodically to ensure that compliance to the chosen standard is maintained throughout the three-year certification cycle. After this period, we would also cater to the requirement of renewing the certification.

However, to begin with, we would need to create a network of Lead Auditors who are in the field and equipped to conduct this exercise of quality audit and evaluation including executing franchisee agreement as part of our branding and marketing exercise

### iii. Introduction of SimpleLaw in the Indian market:

SimpleLaw is a collaboration platform for lawyers, clients, paralegals and law firm back offices. It is a cloud-based case management system for lawyers to streamline law practice, case management, client communication, conversations, collaborate with other lawyers and therefore, building their own legal ecosystem. The portal is integrated with Android and iOS mobile applications.

#### **Any major agreements/contracts executed**

#### **IP Royalty Licence Agreement with our holding company.**

We have executed the above – mentioned agreement on 8<sup>th</sup> November, 2017 for the product SimpleLaw owned by our holding company. By virtue of this agreement, we have the permission to introduce the product in the Indian market for which we have agreed upon a perpetual royalty with effect from the date of the agreement.

Some of the salient features of the agreement are:

- a. Perpetual royalty for an amount of 30% of all net sales resulting from the Online Services, payable in quarterly payments.
- b. Payment shall be made in USD and the holding company has the sole and absolute authority to allow payments in Rupee subject to the USD exchange rate known on the actual date of payment.
- c. Amounts due but remaining unpaid shall accrue a compound interest of 1% of the amount due every two weeks.
- d. The Indian company is not obtaining the ownership interest of the product. It is obtaining the right to use the product for the purpose of creating its Online Service. The holding company shall retain 100% ownership interest in the product and is at no means transferring an percentage of the ownership to the Indian company.
- e. The terms of this Agreement are indefinite.

The agreement is part of the 'Material Contracts and Documents for Inspection' enlisted on page no. 176 of this Prospectus.

## **Business strategy**

The company's endeavor is to provide high quality consultation and certification services to small and medium sized IT and other services organizations at affordable costs, yet well recognized by the industry for its standards and quality.

### **Marketing set up and strategy:**

For the existing streams of business and revenue the major customers are Lex Nimble Solutions Inc., the holding company and ILBSG LLP in the US which is a promoter group entity. Now the Company plans to foray into the certification practice which is led by Dr. Chandra Sekhar Vanumu, Whole time Director. He spearheads the activity including the setting up of a team dedicated in this area of work.

### **Competition and competitive strengths:**

Competition is imperative as the market for IT products and services is evolving both in the domestic and international market. For the new area of focus being the ISO certification practice, there are about 36 entities registered with the Quality Council of India authorized to issue an ISO certification. Our Company has initiated the process for the accreditation. However, this number is less given the number of corporates and the diversity of business in India.

With regard to the CMMI consulting practice, some of the leading IT companies like Infosys are empaneled as partners with CMMI for a certification, however, unlike ISO, our focus is on the consulting practice of CMMI and not the certification which opens up the scope to approach and network with corporates who intend to get the certification. While all of us would be competing with each other for a gainful market share, growth of business and corporate houses, both in number and otherwise, as well the growing emphasis and demand in adopting a standardized operating procedure to streamline the process and therefore, improve quality, make both these practices an opportunity of plenty.

### **Property, insurance and manpower:**

#### **Property:**

The current registered office is a leasehold premise taken on rent from International Legal and Business Services LLP, India which is a promoter group company. For more details on the LLP please refer to page no. 86 of this Prospectus. The Company does not own any other land, building or any other kind of property in its name.

#### **Insurance:**

As of date the Company has not taken any insurance policy for any of the assets owned by the Company. However, the Company has taken a Group Mediciam Insurance Policy No. 299920204063590000 for its employees for a period of one year from 28<sup>th</sup> December, 2017 till 27<sup>th</sup> December, 2018 for an annual premium of Rs. 46,520/- from HDFC ERGO General Insurance.

#### **Manpower:**

As on date we have twenty-four employees on the rolls of the Company and some support staff for the day-to-day running of the Company. The major operational classification of the manpower is given below:

Key Managerial personnel	3
Administration and operations	2
Software engineers	9
Sales and marketing	10
<b>TOTAL</b>	<b>24</b>

## KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, Government of Telangana and the respective bye laws framed by the local bodies in Hyderabad, and others incorporated under the laws of India.

The information detailed in this chapter has been obtained from the various legislations and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below are not 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.

### 1. Industry Specific Regulations:

#### **Information Technology Act, 2000 (“the IT Act”)**

The IT Act was enacted with the purpose of providing legal recognition to electronic transactions and facilitating electronic filing of documents. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cybercrimes, including unauthorized access to computer systems, unauthorized modification to the contents of computer systems, damaging computer systems, the unauthorized disclosure of confidential information and computer fraud. The IT Act regulates Information Technology i.e. it governs information storage, processing and communication. The Act provides legal recognition of electronic records and electronic signatures, their use, retention, attribution and security. Penalties are provided for cybercrimes which include tampering with computer source document and electronic publishing of obscene information, in addition to provision of compensation in certain cases.

#### **The Trade Marks Act, 1999**

The Trade Marks Act, 1999 (‘Trademarks Act’) read with the Trademark Rules 2002, as amended from time to time, governs the statutory protection of trademarks in India. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registrable under the Trademarks Act. Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration for such mark must be obtained afresh. Registered trademarks may be protected by means of an action for infringement. The owner of a registered trademark is prima facie regarded as the owner of the mark by virtue of the registration obtained.

#### **Foreign Exchange Management Act, 1999 (“the FEMA”)**

Foreign investment in companies such as information technology service industry is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) read with the applicable regulations. The Department of Industrial Policy and Promotion (“DIPP”), Ministry of Commerce and Industry has issued the Consolidated FDI Policy (the “FDI Circular”), which consolidates the policy framework on Foreign Direct Investment (“FDI”), with effect from June 07, 2016. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till June 06, 2016. All the press notes, press releases, clarifications on FDI issued by DIPP till June 06, 2016 stand rescinded as on June 07, 2016.

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the approval route, prior approval of the Government of India through FIPB is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. 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. No approvals of the FIPB or the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue.

RBI has also issued Master Circular on Foreign Investment in India dated July 01, 2015. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to interalia, the pricing guidelines prescribed under the Master Circular. As mentioned above, the Indian company making such fresh issue of shares would be

subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

## **2. Corporate laws:**

### **The Companies Act, 1956 & 2013**

The Act deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory regarding all relevant aspects including organizational, financial and managerial aspects of companies.

Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors namely, management autonomy and investor protection.

### **SEBI Act, 1992:**

The SEBI Act, 1992 establishes SEBI with statutory powers for (a) protecting the interest of investors in securities, (b) promoting the development of the securities market, and (c) regulating the securities market. Its regulatory jurisdiction extends over corporate in the issuance of capital and transfer of securities, in addition to all intermediaries and persons associated with securities market. It can conduct enquiries, audits and inspection of all concerned and adjudicate offences under the Act. It has powers to register and regulate all market intermediaries and also to penalize them in case of violations of the provisions of the Act, Rules and Regulations made there under. SEBI has full autonomy and authority to regulate and develop an orderly securities market.

### **Securities Contracts (Regulation) Act, 1956:**

The SCRA seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides for grant of recognition for stock exchanges by the Central Government. Every recognized stock exchange is required to have in place a set of rules relating to its constitution and bye-laws for the regulation and control of contracts. The bye-laws normally provide inter alia for:

- (i) the opening and closing of markets and regulation of the hours of trade;
- (ii) the fixing, altering or postponing of days for settlements;
- (iii) the determination and declaration of market rates, including the opening, closing highest and lowest rates for securities
- (iv) the terms, conditions and incidents of contracts, including the prescription of margin requirements, if any, and conditions relating thereto, and the forms of contracts in writing;
- (v) the regulation of the entering into, making, performance, recession and termination of contracts, including contracts between members or between a member and his constituent.

### **Insider Trading Regulations:**

The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time (“Insider Trading Regulations”) govern the law with respect to insider trading in India. The Insider Trading Regulations inter alia prohibit all insiders from dealing in securities of a listed company when the insiders in possession on unpublished price sensitive information (“UPSI”). It further prohibits an insider from communicating, counseling or procuring, directly or indirectly, any UPSI to any person who while in possession of such UPSI is likely to deal in such securities. Information is said to be price sensitive if it is likely to materially affect the price of the securities of the company to which it relates.

Under the Insider Trading Regulations, the concept of an “insider” is related to those of a connected person and deemed connected person. A person is said to be connected to a company when he or she is a director, employee or officer in the company or stands in a professional or business relationship with the company and when he or she may reasonably be expected to have access to UPSI and includes inter alia market intermediaries, Merchant Bankers, share transfer agents, registrars to an issue, debenture trustees, brokers, Portfolio Managers, investment advisors. The Insider Trading Regulations inter alia defines intermediaries in the SEBI Act. Asset management companies, trustees of mutual funds etc. should frame a code of internal procedures and conduct based on the Model Code of Conduct specified under the Insider Trading Regulations.

### 3. Laws relating to employment:

Various labour laws, including the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, The Maternity Benefit Act, 1961, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")

### 4. Other general legislations:

- i. **Tax related legislations** such the Income Tax Act, 1961, laws relating to Goods and services (GST), Professional tax.
- ii. **The Indian Contract Act, 1872** that codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract.
- iii. **Transfer of property Act, 1882** that establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.
- iv. **The Registration Act, 1908** designed to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also.
- v. **The Indian Stamp Act, 1899** that provides for instruments that require stamping and the value thereof. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from State to State.
- vi. **Registrations under the Telangana Shops & Commercial Establishments Act, 1988** of the Telangana State in which our Company has an established place of business/ office that provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments.
- vii. **The Specific Relief Act, 1963** is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Specific Relief Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law
- viii. **Competition Act, 2002** aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India by regulating anti-competitive agreements, abuse of dominant position and combinations.
- ix. **The Easements Act, 1882** relates to the right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law an easement may be acquired by the owner of immovable property, i.e. the "dominant owner", or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.

## HISTORY AND CERTAIN CORPORATE MATTERS

### History:

Our Company was incorporated in the name and Style of 'ILBSG Professional Services Private Limited under the Companies Act, 1956 pursuant to Certificate of Incorporation dated 15<sup>th</sup> April, 2005 issued by the Registrar of Companies, Hyderabad, to engage in Business outsourcing, IT and supporting services. Later on, the name of the Company was changed to Lex Nimble Solutions Private Limited with effect from 17<sup>th</sup> January, 2012. It was recently converted into a Public Company vide new certificate dated 18<sup>th</sup> August, 2017. Our corporate identification number is U74140TG2005PLC045904.

The primary line of activity has been to carry on the business of Appraisal Advisory, Certification, training and related services on quality models, IT product and development and services.

In the year 2012, Lex Nimble Solutions Inc., took a majority stake making the Company its subsidiary. In this vein, the name of the Company was also altered to Lex Nimble Solutions Private Limited. Currently, the holding company holds 97.81% in our Company.

The registered office earlier located at Level 1, Wing 2, Block D, Cyber Gateway, Madhapur, Hyderabad was shifted within the city to Q2, Module A3, 10<sup>th</sup> Floor, Cyber Towers, Hitec City, Madhapur, Hyderabad with effect from 8<sup>th</sup> May, 2012. Subsequently the registered office was again shifted within the city to its current address at Q3, Module A1, 10<sup>th</sup> Floor, Cyber Towers, Hitec City, Madhapur, Hyderabad with effect from 24<sup>th</sup> July, 2015.

### Our Business:

The Company is engaged in the business of Appraisal Advisory, Certification, training and related services on quality models, IT product and development and services.

For further details of our Company's activities, services and the growth of our Company, please refer to the chapter titled '*Our Business*' and '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' beginning on page nos. 59 and 105, respectively of the Prospectus.

### Change in name and objects of the Company:

The Company originally incorporated as ILBSG Professional Services Private Limited was re-named as Lex Nimble Solutions Private Limited with effect from 17<sup>th</sup> January, 2012 after Lex Nimble Solutions Inc., acquired a majority stake to make the Indian company its subsidiary. Further, the Company was converted from a private limited company to a public limited company with effect from 18<sup>th</sup> August, 2017. The main object clause in the Memorandum of Association has been altered earlier to streamline the business of the Company. The details are shared in the table below titled Amendments to the MOA of the Company since incorporation.

### Main Objects of our Company:

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The main objects of our Company are:

1. To establish, maintain, conduct, provide, procure, or make available services of every kind including commercial, statistical, financial, accountancy, medical, legal, management, educational, engineering, data processing, communication and other technological social or other services.
2. To carry on the business as importer, exporter, buyers, lesser, and sellers of and dealers in all types of electronic components and equipment necessary for attaining the above objects.
3. To undertake the designing and development of systems and applications software either for its own use or for sale or for license, lease or to provide SOFTWARE AS A SERVICE (SAAS) 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 equipment in India or elsewhere in the world;
4. Promote, encourage, establish, develop, maintain, organize, undertake, manage, operate, conduct, and to run in India or abroad support centers, offering back office services namely, customer support centers, data processing, Form processing, business, out sourcing, business development for all sorts of services relating to various businesses.

5. To undertake the process, Management, Training, certification, recommendation and endorsing operation of systems and requirements used for meeting, continuously improving the goals for Quality models and standards like CMMI, ISO, and similar certifications including appraisal, advisory, training, staffing and related services to entities domestic and abroad and also to render management related services.

**Amendments to the Memorandum of Association (MOA) of the Company since incorporation:**

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

<b>Date</b>	<b>Changes</b>
2 <sup>nd</sup> January, 2012	Increase of authorized capital from Rs.1,00,000/- to Rs.25,00,000/- comprising of 2,50,000 equity shares of Rs.10/- each
17 <sup>th</sup> January, 2012	Change of name of the Company from ILBSG Professional Services Private Limited to Lex Nimble Solutions Private Limited
3 <sup>rd</sup> March, 2012	Alteration of the main object clause of the Memorandum of Association
19 <sup>th</sup> May, 2014	Increase of authorized capital from Rs.25,00,000/- to Rs.70,00,000/- comprising of 7,00,000 equity shares of Rs.10/- each
24 <sup>th</sup> July, 2017	Increase of authorized capital from Rs.70,00,000/- to Rs.5,70,00,000/- comprising of 57,00,000 equity shares of Rs.10/- each.
24 <sup>th</sup> July, 2017	Alteration of main objects of the Company
18 <sup>th</sup> August, 2017	Conversion of the Company from a private limited to a public limited company

**Subsidiaries and Holding Company:**

The Company is a subsidiary of Lex Nimble Solutions Inc., that holds 97.81% in the Company. Further, as on the date of the Prospectus our Company does not have any subsidiary. For details on the shareholding of the holding company, please refer to the section titled ‘*Capital Structure*’ on page no. 29 of this Prospectus.

**Other declarations and disclosures**

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, Our Company has not made any Public Issue or Rights Issue (as defined in the SEBI (ICDR) Regulations in the past. No action has been taken against Our Company by any Stock Exchange or by SEBI.

Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

**Fund raising through equity or debt:**

For details in relation to our fund-raising activities through equity and debt, please refer to the chapters titled ‘*Financial Information*’ and ‘*Capital Structure*’ beginning on page nos. 89 and 29 respectively, of the Prospectus.

**Number of Shareholders of our Company:**

Our Company has 7 (seven) shareholders as on the date of filing of the Prospectus.

**Revaluation of assets:**

Our Company has not revalued its assets since its incorporation.

**Changes in the activities of our Company having a material effect**

The Company has altered its object clause in a timely manner to focus on its pursuits. The main objects are listed on Page no 67 of this Section. Other than those, no other change has taken place in the activities carried out by the Company since incorporation and during the five years preceding the date of the Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

**Injunctions or Restraining Orders:**

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

### **Mergers and acquisitions in the history of our Company**

There has been no merger or acquisition of business or undertaking in the history of our Company.

### **Defaults or Rescheduling of borrowings with financial institutions/banks:**

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks.

### **Strikes and lock-outs:**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of the Prospectus, our employees are not unionized.

### **Time and cost overruns in setting up projects:**

As on the date of the Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

### **Shareholder's agreement:**

Our Company has not entered into any subsisting shareholder's agreement as on the date of the Prospectus.

### **Other Agreements:**

The Company has executed an IP royalty agreement with its holding company for securing rights to market the product SimpleLaw. The details of the agreement are disclosed under the head '*Our Business*' on page no.59 of this Prospectus.

### **Strategic Partners:**

Our Company does not have any strategic partner(s) as on the date of the Prospectus.

### **Financial Partners:**

As on the date of the Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

## OUR MANAGEMENT

The Board of the Company consists of 8(Eight) Directors of which 4 (Four) are Independent Directors. We confirm that the composition of our Board of Directors is in line with Regulation 17 of SEBI (Listing and Disclosure Requirements) Regulations, 2015.

### The Board of Directors of our Company

The following table sets forth certain details regarding the members of our Company's Board as on the date of the Prospectus:

S. No	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualifications & DIN	Date of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue)	Other Directorships
1	<p><u>Name:</u> Mr. Praveen Chakravarthy Medikundam</p> <p><u>S/o:</u> Late Sri. M. Sundareswara Rao Medikundam</p> <p><u>Age:</u> 41 years</p> <p><u>Designation:</u> Chairman, Non-Executive Director</p> <p><u>Address:</u> 1090 Willow Bay, Elgin, IL, USA- 60123</p> <p>Experience: over 14 years</p> <p>Occupation: Business</p> <p>Qualification: L.L.M, ACS</p> <p>DIN: 02816167</p>	15 <sup>th</sup> April, 2005	-	<p>i. Lex Nimble Solutions Inc., USA</p> <p>ii. ILBSG Infrastructure Company LLC</p> <p>iii. Winzen Capital LLC</p>
2	<p><u>Name:</u> Mr. Samuel Alemu</p> <p><u>S/o:</u> Late Mr. Alemu Bekele</p> <p><u>Age:</u> 46 years</p> <p><u>Designation:</u> Non-Executive Director</p> <p><u>Address:</u> 7N265 Whispering Trail, Saint Charles, IL, USA - 60175</p> <p>Experience: over 20 years</p> <p>Occupation: Business</p> <p>Qualification: L.L.M</p> <p>DIN: 03169580</p>	15 <sup>th</sup> April, 2005	-	<p>i. Lex Nimble Solutions Inc., USA</p> <p>ii. ILBSG Infrastructure Company LLC</p> <p>iii. Winzen Capital LLC</p>

3	<p><u>Name:</u> Smt. Sarada Devi Medikundam  <u>W/o:</u> Late Sri. M. Sundareswara Rao  Medikundam  <u>Age:</u> 70 years  <u>Designation:</u> Non-Executive Non Independent Director  <u>Address:</u> LIG-702, KPHB Colony, Hyderabad, India-500072  Experience: over 35 years  Occupation: Retired from service  Qualification: Under Graduate  DIN: 03258451</p>	17 <sup>th</sup> October, 2010	67,242 shares; 2.18%	-
4	<p><u>Name:</u> Dr. Chandra Sekhar Vanumu  <u>S/o:</u> Late Sri. Ramu Naidu  Vanumu,  <u>Age:</u> 51 years  <u>Designation:</u> Executive Wholetime Director  <u>Address:</u> 13-1-46 Street No.2, Veenapani Nagar, Malkajgiri, Secunderabad, Telangana-500047  Experience: over 22 years  Occupation: Director- IT &amp; Consulting  Qualification: Ph.D in Quality Assurance and Reliability  DIN: 06361980</p>	25 <sup>th</sup> October, 2017	-	Advit Software & Business Solutions Private Limited
5	<p><u>Name:</u> Mr. Sreenivas Katragadda  <u>S/o:</u> Sri. Ramakoteswara Rao  Katragadda,  <u>Age:</u> 56 years  <u>Designation:</u> Non-Executive Independent Director  <u>Address:</u> 2480 Larchmont Lane Aurora State of Illinois,USA-60504  Experience: over 29 years  Occupation: Business  Qualification: M.Sc  DIN: 07953521</p>	22 <sup>nd</sup> November, 2017	-	Digital Secure Inc
6	<p><u>Name:</u> Mr. Jaganmohan Venkata Bukkaraju  <u>S/o:</u> Sri. Dasharatha Bukkaraju  Age:49 years  Designation: Non-Executive Independent Director  <u>Address:</u> 1935, Bridlewood Drive, Hoffman Estates, State of Illinois USA-60192  Experience: over 24 years  Occupation: Business  Qualification: MBA  DIN: 07953517</p>	22 <sup>nd</sup> November, 2017	-	Creative Global solutions Group Inc

7	<p><u>Name:</u> Mr. Nalinkumar Patel  <u>S/o:</u> Sri. Pramodchandra Umedbhai Patel  <u>Age:</u>55 years  <u>Designation:</u> Non-Executive Independent Director  <u>Address:</u> Sagpan Lane 20, Plot 458, Satyagrah Chavni Society, Opp ISRO Satellite, Ahmedabad, Gujarat, India-380015  <u>Experience:</u> over 30 years  <u>Occupation:</u> Business  <u>Qualification:</u> Master of Science degree in Computer aided design  <u>DIN:</u> 00523404</p>	22nd November, 2017	-	Microtech IT Systems Pvt Ltd
8	<p><u>Name:</u> Mr. Rakesh Choudhary  <u>S/o:</u> Sri. Bhupinder Choudhary  <u>Age:</u> 42 years  <u>Designation:</u> Non-Executive Independent Director  <u>Address:</u> Flat No- 3914, Janapriya Nile Valley, PJR Enclave, Near R.S. Brothers, Chandanagar, Hyderabad-500050, Telangana  <u>Experience:</u> over 20 years  <u>Occupation:</u> Business  <u>Qualification:</u> B.Com  <u>DIN:</u> 07934262</p>	22nd November, 2017	-	Unibeltz Private Limited

Note:

- i. Mr. Praveen Chakravarthy Medikundam, the promoter is the son of Smt. Sarada Devi Medikundam. Other than this, none of the other directors are related to each other.
- ii. None of the above- mentioned Directors are on the RBI List of willful defaulters as on the date of the Prospectus.
- iii. None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company are debarred by SEBI from accessing the capital market.
- iv. None of the Promoter, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- v. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the directors was selected as a director or member of senior management.
- vi. None of our directors hold directorship in any listed company.
- vii. No Director is / was a director in any listed company whose shares have been / were suspended from being traded on the stock exchanges, during the last five years, before the date of filing of the Prospectus.
- viii. None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been delisted from any stock exchange.

## **Brief Profile of the Directors of our Company**

### **Mr. Praveen Chakravarthy Medikundam**

Mr. Praveen Chakravarthy Medikundam, aged 41 years is the Promoter Non-Executive Director and Chairman of our company.

He has earned his Law Degree from Temple University Law School in Philadelphia, USA. He is admitted into the Bar of New York State, US District Court – Northern Illinois, US Court of International Trade and the US Tax Court. He is also a member of the American Bar Association and New York Bar Association. In addition, Praveen has corporate law admissions from UK and India. He is a member of the Institute of Company Secretaries of India and the Institute of Chartered Secretaries and Administrators of UK.

For additional details of his experience, positions/posts held in the past, and other directorships of our Promoter, please see the Chapter titled 'Our Promoters' on page no.82 of this Prospectus.

### **Mr. Samuel Alemu**

Mr. Samuel Alemu, aged 46 years is a Non-Executive Non-Independent Director of our company.

He is one of the co-founders of Lex Nimble Solutions, Inc. and a partner at the United States-based law firm, International Legal and Business Services Group, LLP.

Samuel is a graduate of Harvard Law School, University of Wisconsin-Madison Law School, and Addis Ababa University College of Law. Samuel has been admitted to the bar associations of New York State, United States Tax Court, and the United States Court of International Trade. Aside from the knowledge obtained from the scholastic milieu, Samuel Alemu brings over 20 years of legal experience earned through his work and through experiences at prestigious positions which include being a Judge in the High Court of Ethiopia. Samuel holds extensive knowledge in International Law, Arbitration, Dispute Resolution, Business Immigration Law, Joint Ventures, and Corporate Law.

Apart from his passion for the law, Samuel developed a keen interest in innovative technologies and became deeply committed to Legal Tech and IT start-up companies. As a member of the legal industry, Samuel sensed a need for Legal Tech for legal professionals. With this need in mind, Samuel began a business out of creating technology solutions that solve real-world problems for legal professionals. With a legal background, instead of a programming background Samuel has been able to view processes and procedures in a different perspective from engineers, from an objective viewpoint, which has allowed him to help develop new solutions in problematic areas.

Samuel believes transparency and accessibility are the foundation for Lex Nimble's long-term vision of building software products.

As a promoter and director of our holding company, Lex Nimble Solutions Inc, Samuel is instrumental in diversifying the company into various business areas and consulting. His vast experience has helped the company obtain profitable business relationships and maintain its respectable growth into the future.

### **Smt. Sarada Devi Medikundam:**

Smt. Sarada Devi Medikundam aged 70 years Non-Executive Non-Independent Director of our company.

She worked in the Government sector for over 35 years and has vast experience in Pay & Accounts, Accounts payable and Internal Audit functions. She has contributed in shaping the ethics and employee welfare policies of the company. She is also a strong advocate of Empowerment of Women in the workforce. She has been instrumental in implementing gender equality and creating a favorable environment for the women workforce.

### **Dr. Chandra Sekhar Vanumu:**

Dr. Chandra Sekhar Vanumu, aged 51 years is an Executive Whole Time Director of our company.

He has acquired his PhD in Quality Assurance and Reliability and a Master of Technology degree in production Science & Technology from IIT - Kharagpur, India. He has over 22+ years of global experience as Management and Process

Improvement Consultant, working in different regions. The verticals of his experience include software development, Insurance and financial services, Telecom, Consumer product industries and engineering.

**Mr. Sreenivas Katragadda:**

Mr. Sreenivas Katragadda, aged 56 years is a Non-Executive Independent Director of our Company. He has worked at Nokia formerly Alcatel-Lucent and Lucent Technologies for 20 years. He has designed and developed and managed many products in both Wireless and Wireline Telecom and IP Multimedia Subsystem (IMS) business. He has worked with many Global customers like AT&T, Verizon, Sprint, British Telecom, and France Telecom and others. He has also served as the Vice President of Management Information Systems at Group Insurance Administration-PPO, Inc. a Health Insurance Administration company for 9 years, managing their IT and Development departments.

**Mr. Jaganmohan Venkata Bukkaraju:**

Mr. Jaganmohan Venkata Bukkaraju, aged 49 years is a Non-Executive Independent Director of our Company.

He acquired his Master's degree in Business Administration from Northern Illinois University and also completed his Master's degree in Computer Science from Alabama Agricultural and Mechanical University, USA. He is having over 24 years of experience in package implementation in financial banking, manufacturing and leadership search environment, involving technical and managerial responsibilities.

**Mr. Nalinkumar Patel:**

Mr. Nalinkumar Patel, aged 55 years is a Non-Executive Independent Director of our Company.

He has completed his Master of Science degree in Computer aided design from the University of Florida, USA. He has 29 years of experience in Leadership, management, computer engineering and in implementing various e-Governance Projects in Government.

**Mr. Rakesh Choudhary:**

Mr. Rakesh Choudhary, aged 42 years is a Non-Executive Independent Director of our Company.

He has a Bachelor's degree in Commerce from Osmania University, India. He has over 20 years of experience in providing conveyor belt sales, installation and maintenance. He has served various industries including Power, Cement, Aggregates, Coal, Mineral Mining and Heavy engineering.

**Details of Service Contracts**

There is no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

**Bonus or Profit Sharing Plan for the Directors**

There is no bonus or profit sharing plan for the Directors of our Company.

**Contingent and Deferred Compensation payable to Directors**

No Directors has received or is entitled to any contingent of deferred compensation.

**Borrowing power of the Board**

The borrowing powers of our Board are regulated by the provisions of the Articles of Association of our Company.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the chapter titled '*Main Provisions of the Articles of Association*' beginning on page no. 163 of the Prospectus.

## Terms and Conditions of Employment of Wholetime Director

### Dr. Chandra Sekhar Vanumu:

Our company at its Extra Ordinary General Meeting held on 22<sup>nd</sup> November 2017 passed a resolution authorizing Board of Directors pursuant to the provisions of section 196,197,198 and other applicable provision of Companies Act, 2013 to approve remuneration payable to Dr. Chandra Sekhar Vanumu of ₹ 21,00,000/- (Rupees Twenty-One lakhs only) per annum as provided under the provisions of the Act unless otherwise approved by the Central Government.

Remuneration paid to Dr. Chandra Sekhar Vanumu for FY 2016-17 was ₹ 18 lakhs.

Term of Appointment: 3 years (w.e.f 25<sup>th</sup> October, 2017 to 24<sup>th</sup> October, 2020)

### Compensation of Non-Executive Non-Independent Director and Independent Directors:

Pursuant to a resolution passed at the meeting of the Board of the Company on the Non-Executive Non-Independent Director and Independent Directors will be paid ₹ 1000/- per sitting fee for all Board / Committee meetings held.

Remuneration paid to our Non-Executive Non-Independent Director and Independent Directors in F.Y 2016-17: Nil

Term of Appointment: 5 years (w.e.f from 22<sup>nd</sup> November, 2017 to 21<sup>st</sup> November, 2017)

### Shareholding of Directors in our Company

As per the Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him/her for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of the Prospectus.

S. No	Name of the Directors	No. of Equity Shares held	% of pre-issue paid-up Equity share capital of the Company
1	Smt. Sarada Devi Medikundam	67,242	2.18

### Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meeting of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Wholetime Director of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to a body corporate including companies and firms, and trust, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that which may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they interested as Directors, members, partners and Promoter, pursuant to this Issue.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with the Director himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

### Interest of Directors in promotion of our Company

Mr. Praveen Chakravarthy Medikundam is interested in his capacity as the promoter of the Company.

### Interest of Directors in the property of our Company

Our Directors have no interest in any property acquired in the preceding two years from the date of the Prospectus.

### Interest of Directors in the business of our Company

Further, save and except as stated otherwise in 'Statement of Transactions with Related parties' in the chapter titled 'Financial Information' beginning on page no.89 of the Prospectus, our Directors do not have any other interests in our Company as on the date of the Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrars, Market Makers and Bankers to the Issue or any other intermediary involved in this issue and registered with SEBI.

### Change in the Board for the last three years

Save and except as mentioned below, there had been no change in the Directorship during the last three 3 years:

Name of Director	Date of Appointment	Date of Cessation	Reason for change
Mr. Sundareswara Rao Medikundam	4 <sup>th</sup> January, 2007	4 <sup>th</sup> May, 2017	Demise
Dr. Chandra Sekhar Vanumu	25 <sup>th</sup> October, 2017		Appointment
Mr. Sreenivas Katragadda	22 <sup>nd</sup> November, 2017		Appointment
Mr. Jagannmohan Venkata Bukkaraju	22 <sup>nd</sup> November, 2017		Appointment
Mr. Nalinkumar Patel	22 <sup>nd</sup> November, 2017		Appointment
Mr. Rakesh Choudhary	22 <sup>nd</sup> November, 2017		Appointment

### Corporate Governance

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 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 is constituted in compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations and our Company 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.

### Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in SEBI Listing Regulations and Disclosures. Our Board has eight Directors of whom four are independent directors. Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Nomination Remuneration Committee
3. Stakeholder Relationship Committee

## Audit Committee

The Audit Committee was constituted *vide* Board resolution dated 5<sup>th</sup> December, 2017 pursuant to Section 177 of the Companies Act, 2013 and SEBI Listing Obligations and Disclosures.

The Audit Committee shall meet at least four times a year with maximum interval of 120 (one hundred and twenty) days between two of its meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

The scope and functions of the Audit Committee shall be in accordance with section 177 of the Companies Act, 2013 and SEBI Listing Regulations. As on the date of the Prospectus the Audit Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Rakesh Choudhary	Chairman	Non-Executive and Independent
Dr. Chandra Sekhar Vanumu	Member	Executive
Mr. Nalinkumar Patel	Member	Non-Executive and Independent

The Company Secretary, Ms. Kavitha Somavarapu, is the secretary of the Audit Committee

### The terms of reference of our Audit Committee are given below:

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iii. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
- iv. Appointment, removal and terms of remuneration of internal auditor.
- v. Reviewing, with the management, the annual financial statement before submission to the Board for approval, with particular reference, but not restricted to:
  - a. Matters required to be included in the Director's Responsibility Statement' to be included in our 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 the financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report.
  - h. Reviewing, with the management, the quarterly financial statements before submission to the board of directors for their approval, including such review as may be required for compliance with provisions of the listing agreement entered into with the Stock Exchange.
  - i. 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 these matters;
  - j. Reviewing and monitoring performance of statutory and internal auditors, and adequacy of the internal control systems.
  - k. 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 departments, reporting structure, coverage and frequency of internal audit.
  - l. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
  - m. Discussing with internal auditors on any significant findings and follow up thereon.
  - n. Approval of any subsequent modification or transactions of the listed entities with related parties.
  - o. Scrutiny of inter corporate loans and investments
  - p. Valuation of undertakings or assets of the company, wherever it is necessary

- q. 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.
- r. 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.
- s. To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- t. To review the functioning of the ‘whistle blower’ mechanism, when the same is adopted by our Company and is existing.
- u. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- v. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and to carry out any other function statutorily required to be carried out by the Audit Committee as per applicable laws;

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weakness; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Audit Committee, reason for disagreement shall have to be recorded as minutes in the Board Meeting and the same has to be communicated to the shareholder. The chairman of the committee has to attend the Annual Committee Meetings of our Company to provide clarifications on matters relating to the audit.

#### **Nomination and Remuneration Committee**

The Remuneration Committee was constituted at a meeting of the Board of Directors held on 5<sup>th</sup> December, 2017 pursuant to Section 178 of the Companies Act, 2013 and SEBI Listing Obligations and Disclosures. As on the date of the Prospectus the Remuneration Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Sreenivas Katragadda	Chairman	Non-Executive and Independent
Mr. Jaganmohan Venkata Bukkaraju	Member	Non-Executive and Independent
Mr. Praveen Chakravarthy Medikundam	Member	Non-Executive and Non-Independent

Our Company Secretary, Ms. Kavitha Somavarapu, is the secretary of the Nomination and Remuneration Committee. The scope of Remuneration Committee shall include but shall not be restricted to the following:

- i. To ensure that our Company has formal and transparent procedures for the selection and appointment of new directors to the board and succession plans;
- ii. To develop and implement a plan for identifying and assessing competencies of directors;
- iii. To identify individuals who are qualified to become board members, taking into account a variety of factors, including, but not limited to:
  - iv. The range of skills currently represented on the board;
  - v. The skills, expertise, experience (including commercial and/or industry experience) and particular qualities, that make individuals suitable to be a director of our Company; and/or the individual’s understanding of technical, accounting, finance and legal directors;
- vi. To make recommendations for the appointment and removal of directors;
- vii. To ensure that our Company has in place a programme for the effective induction of new directors;
- viii. To review, on an ongoing basis, the structure of the board, its committees and their inter relationship;

- ix. To recommend to the Board, the remuneration packages of our Company's Managing/ Joint Managing / Deputy Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- x. To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing / Joint Managing / Deputy Managing / Whole-time / Executive Directors, including pension rights and any compensation payments'
- xi. To implement, supervise and administer any share or stock option scheme of our Company; and
- xiii. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

The Remuneration Committee is required to meet at least four times in a year and not more than four months will elapse between two meetings. The quorum will be either two members or one third of the members of the Remuneration Committee whichever is greater, but there should be a minimum of two independent members present.

### **Stakeholder Relationship Committee**

The Shareholders/ Investors Grievance Committee has been formed by the Board of Directors at the meeting held on 5<sup>th</sup> December, 2017. As on the date of the Prospectus the Shareholders/ Investors Grievance Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Praveen Chakravarthy Medikundam	Chairman	Non-Executive and Non-Independent
Mr. Sreenivas Katragadda	Member	Non-Executive and Independent
Dr. Chandra Sekhar Vanumu	Member	Executive Director

Ms. Kavitha Somavarapu, is the secretary of the Stakeholder Relationship Committee.

This Committee will address all grievances of Shareholders and Investors and its terms of reference include the following:

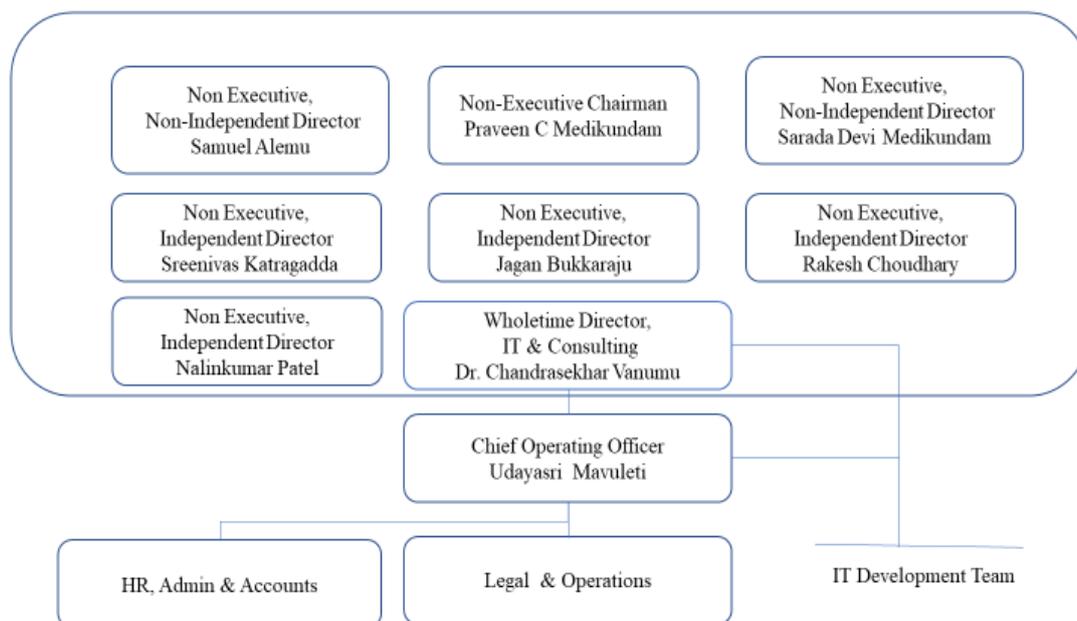
- i. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- ii. Redressal of shareholders and investor complaints in relation to transfer of shares, allotment of shares, non-receipts of the refund orders, rights entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends etc.,
- iii. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares.
- iv. Issue of duplicate / split /consolidated share certificates;
- v. Allotment and listing of shares;
- vi. Review of cases for refusal of transfer / transmission of shares and debentures;
- vii. Reference of statutory and regulatory authorities regarding investor grievances;
- viii. Ensure proper and timely attendance and redressal of investor queries and grievances.
- ix. To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers.

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchange. Our Company Secretary is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.

## Management Organization structure



## Key Managerial Personnel

Our Company is managed by the Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. A profile of Dr. Chandra Sekhar Vanumu, our Wholetime Director has been shared under the section ‘*Brief profile of Directors of our Company*’ and ‘*Terms of appointment of Wholetime Director*’ on page nos. 73 and 75 respectively of this Prospectus. Given below are the details of the other Key Managerial Personnel of our Company:

Name of Employee	Designation and Functional Area	Date of Appointment/ Change in Designation	Compensation for Last Fiscal Year (In ₹ Lakhs)	Qualification	Total years of experience
Ms. Udayasri Mavuleti	Chief Operating Officer	1st May, 2017 – change of designation	12.96	M.Com	12 years
Ms. Kavitha Somavarapu	Company Secretary	5th December, 2017 – date of appointment	-	C.S, BHMCT	2 years

There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel was selected as a director or member of senior management.

None of the key managerial personnel are ‘related’ to the Promoter or Directors of our Company within the meaning of Section 6 of the Companies Act, 2013.

## Details of Service Contracts of our Key Managerial Personnel

Our key managerial personnel have not entered into any other contractual arrangements with our Company.

## Bonus and/ or Profit Sharing Plan for the Key Managerial Personnel

Our Company does not have any bonus and / or profit sharing plan for the key managerial personnel.

## Contingent and Deferred Compensation payable to Key Managerial Personnel

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

### Shareholding of the Key Managerial Personnel

Name	Number of shares held	% of the pre-issue capital
Ms. Udayasri Mavuleti	18	0.00058

### Interest of Key Managerial Personnel

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

### Changes in our Company's Key Managerial Personnel during the last three years

Following have been the changes in the Key Managerial Personnel during the last three years:

S. No	Name	Date of Joining	Date of Leaving	Reason
1	Ms. Kavitha Somavarapu, Company Secretary	5 <sup>th</sup> December, 2017	--	Appointment

### Scheme of Employee Stock Options or Employee Stock Purchase

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options on our Equity Shares to our employees.

### Employees

As on the date of the Prospectus, our Company has 18 employees and some support staff for day-to-day running of affairs.

### Loans to Key Managerial Personnel

There are no loans outstanding against the key managerial personnel as on the date of the Prospectus.

### Payment of Benefits to officers of our Company (non-salary-Related)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the section titled '*Financial Information*' and the section titled '*Our Business*' beginning on pages no. 89 and 59 of the Prospectus, we have not paid/ given any benefit to the officers of our Company, since incorporation and or do we intend to make such payment/ give such benefit to any officer as on the date of the Prospectus.

### Retirement Benefits

Expect 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 his employment in our Company.

## OUR PROMOTERS

The Promoters of our Company are:

1. M/s. Lex Nimble Solutions Inc.,
2. Mr. Praveen Chakravarthy Medikundam

### Details of our promoters are as under:

1. Lex Nimble Solutions Inc.,

Lex Nimble Solutions Inc., was incorporated on 4<sup>th</sup> March, 2004 in the state of Illinois, US by Mr. Praveen Chakravarthy Medikundam and Mr. Samuel Alemu. Originally named as International Legal & Business Services Group Inc., the name of the entity was changed to the current name on 6<sup>th</sup> May, 2011. The Company is engaged in the business of IT development, consulting training and certification and is the holding company of the issuer company, Lex Nimble Solutions Limited since the year 2012 when it acquired a majority stake in our Company. The PAN number of Lex Nimble Solutions Inc., is AADCL4097L.

### Board of Directors:

S. No	Name	Designation
1	Mr. Praveen Chakravarthy Medikundam	Director
2	Mr. Samuel Alemu	Director

### Shareholding Pattern

S. No	Name of the Shareholder	No of Shares	% holding
1	Mr. Praveen Chakravarthy Medikundam	10,200	51%
2	Mr. Samuel Alemu	9,800	49%

### Audited Financial Information

The company follows the calendar year of accounting. The figures given herein are as disclosed in the U.S. Corporation Income Tax Return.

Amount in USD

Details	31.12.2016	31.12.2015	31.12.2014
Paid Up Equity Capital	1000	1000	1000
Reserves & Surplus (Net of Misc. Expenses not written off)	573,235	636,831	447,742
Gross receipts	8,563,555	7,122,846	6,316,672
Profit / (Loss) after Tax	20,922	167,799	123,436
Earnings Per Share*	1.05	8.38	6.17
Networth	574,235	637,831	448,742

\* number of shares issued, as stated in the incorporation document: 20,000.

## DETAILS OF PROMOTER-INDIVIDUAL:

### MR. PRAVEEN CHAKRAVARTHY MEDIKUNDAM



Mr. Praveen Chakravarthy Medikundam aged, 41 years has earned his Law Degree from Temple Law School in Philadelphia. He is admitted into the Bar of New York State, US District Court – Northern Illinois, US Court of International Trade and the US Tax Court. He is also a member of the American Bar Association and New York Bar Association. He is also a member of the Institute of Company Secretaries of India and the Institute of Chartered Secretaries and Administrators of UK. He advises clients on Federal and New York Corporate Law focusing on complex corporate strategy. He has extensive experience in representing clients in international transactions in complex corporate restructuring, acquisitions.

Mr. Praveen's entrepreneurship is focused on quality and technology solutions to everyday problems. He is also the go to expert in improvising and handling documentation through practice management tools and channelized his energy in developing an intuitive and free case management, tracking, billing, and client communication platform, with cloud-based engineering. He has achieved this through his unparalleled ability to explain complex domain related concepts.

Praveen has also streamlined Lex Nimble's quality process. He has dedicated himself in creating quality culture within Lex Nimble. He believes the long-term strategy for Lex Nimble's business performance comes from quality culture. He has carefully and continuously groomed our staff at all levels to be alert to our quality standards. To that effect, he has spearheaded our efforts to achieve our quality-based initiatives.

He has been responsible in streamlining the quality process and culture in the Company.

He is one of the two promoters of Lex Nimble Solutions Inc., which holds 97.81 % in the Company. He is also a Non – Executive Director and Chairman on the Board.

Permanent Account Number	ANFPM6958H
Passport No.	530798484
Voter ID	Not applicable
Driving License	M325-6637-6182 (Illinois, USA)
Bank Account Details	Capital One Bank Account 161593029, Chicago, IL USA 60173

## UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the above details of our promoters will be submitted to the SME platform of BSE Exchange, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.

## **COMMON PURSUITS OF OUR PROMOTER**

Our promoter Mr. Praveen Chakravarthy Medikundam has promoted certain ventures that are engaged in business which can be understood as common pursuit as required under this section. For details, please refer to the section '*Our Promoter group entities*' on page no 85 of this Prospectus.

## **INTEREST OF THE PROMOTERS**

### **Interest in the promotion of our Company**

Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares, if any.

Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner.

### **Interest in the property of our Company**

The Company does not own any property and hence, promoters having interest in any property acquired by the Company since incorporation, does not arise.

### **Interest as Member of our Company**

As on the date of this Prospectus, our Promoters together hold 97.81 % of the total share capital of our Company and are therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company.

Except to the extent of shareholding of the Promoters in our Company and '*Statement of Related Party Transactions, as restated*' as included in the section of '*Financial Information*' on page no. 104, our Promoters do not hold any other interest in our Company

## **PAYMENT, AMOUNTS OR BENEFIT TO OUR PROMOTERS DURING THE LAST TWO YEARS**

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Prospectus except as mentioned / referred to in this chapter and in the section titled '*Our Management*', '*Financial Information*' and '*Capital Structure*' on page nos. 70, 89 & 29 respectively, of this Prospectus. Further as on the date of the Prospectus, there is no bonus or profit sharing plan for our Promoters.

## **Litigations**

There are no litigations and disputes pending against the Promoters and no defaults have been made by them. Please refer to the section titled '*Outstanding Litigations and Material Developments*' on page no. 109 of the Promoters. None of our Promoters have been declared a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

## **RELATED PARTY TRANSACTIONS**

Except as disclosed in the section title '*Statement of Related Party Transactions, as restated*' disclosed on page no 104 in the section '*Financial Information*' beginning on Page 89 of this Prospectus

## OUR PROMOTER GROUP ENTITIES

Our promoter Mr. Praveen Chakravarthy Medikundam has floated ventures by virtue of definition which get classified as promoter group entities of our Company.

### Bodies Corporate

1. ILBSG Infrastructure Company LLC
2. Winzen Capital LLC

### LLPs

1. International Legal and Business Services LLP, India
2. International Legal and Business Services Group LLP, US

### Details of ventures promoted by Promoters:

#### A. Bodies Corporate:

The two bodies corporate promoted by the promoters are ILBSG Infrastructure Company LLC and Winzen Capital LLC. The details of both these entities are given below:

#### 1. ILBSG Infrastructure Company LLC

The limited liability company was incorporated on 27<sup>th</sup> September, 2007 in the state of Illinois, US by Mr. Praveen Chakravarthy Medikundam and Mr. Samuel Alemu to engage in real estate and management.

#### Board of Directors:

S. No	Name	Designation
1	Mr. Praveen Chakravarthy Medikundam	Director
2	Mr. Samuel Alemu	Director

#### Profit sharing Pattern

S. No	Name of the Shareholder	% share in holding
1	Mr. Praveen Chakravarthy Medikundam	50%
2	Mr. Samuel Alemu	50%

#### Audited Financial Information

The company follows the calendar year of accounting. The figures given herein are as disclosed in the U.S. Corporation Income Tax Return.

(in USD)

Details	31.12.2016	31.12.2015	31.12.2014
Partner's capital account	799,459	464,947	301,838
Net income	334,512	163,109	207,399

#### 2. Winzen Capital LLC

The limited liability company was incorporated on 21<sup>st</sup> January, 2017 in the state of Illinois, US by Mr. Praveen Chakravarthy Medikundam and Mr. Samuel Alemu to engage in miscellaneous financial activities such as investments. Since this is recently incorporated, it is yet to complete a year of financial completion.

**Board of Directors:**

S. No	Name	Designation
1	Mr. Praveen Chakravarthy Medikundam	Director
2	Mr. Samuel Alemu	Director

**Shareholding Pattern:**

S. No	Name of the Shareholder	% share in holding
1	Mr. Praveen Chakravarthy Medikundam	50%
2	Mr. Samuel Alemu	50%

**B. Limited Liability Partnerships (LLPs)**

There are two LLPs promoted by the promoters – International Legal and Business Services Group LLP in the US and International Legal and Business Services LLP in India. The details are given below:

**1. International Legal and Business Services Group LLP, US**

The LLP is a law firm, incorporated on 5<sup>th</sup> October, 2010 in the state of New York, US by Mr. Praveen Chakravarthy Medikundam and Mr. Samuel Alemu.

**Partners and their Profit sharing Pattern:**

S. No	Name of the Shareholder	% share in holding
1	Mr. Praveen Chakravarthy Medikundam	50%
2	Mr. Samuel Alemu	50%

**Audited Financial Information**

The company follows the calendar year of accounting. The figures given herein are as disclosed in the U.S. Corporation Income Tax Return.

(in USD)

Details	31.12.2016	31.12.2015	31.12.2014
Partner's capital account	579,461	80,465	536,743
Net income for partners	2,235,996	913,722	496,096

**2. International Legal and Business Services LLP, India:**

This LLP was incorporated in India on 11<sup>th</sup> August, 2014 with the LLP Identification Number as AAC – 5648 in Hyderabad, State of Telangana, India by Mr. Praveen Chakravarthy Medikundam and his wife Ms. Haripriya Medikundam to engage in legal and Legal Process Outsourcing (LPO) services. The office is located at Q3, Module A1, 10<sup>th</sup> Floor, Cyber Towers, Hitec City, Madhapur, Hyderabad, Telangana, India.

**Partners and their Profit sharing Pattern:**

S. No	Name of the Shareholder	% share in holding
1	ILBSG LLP, US	99.27%
2	Mr. Praveen Chakravarthy Medikundam	0.24%
3	Ms. Haripriya Medikundam	0.24%
4	Smt. Sarada Devi Medikundam	0.23%

## Audited Financial Information

Brief financials based on Audited Accounts for the last three financial years:

(in ₹)

Details	31.03.2017	31.03.2016	From the date of incorporation to 31.03.2015
Partner's capital account / Contribution received	2,10,00,000	1,00,000	1,00,000
Total income	7,21,180	1,80,000	12,51,816
Profit / (Loss) after Tax	(16,96,715)	(24,25,963)	(7,58,563)

None of the entities above are listed on any Stock Exchange and they have not made any Public/ Rights Issue during the last five years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

The company is not a Sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction, is not under winding up and does not have a negative net worth. No application has been made to ROC for striking off its name. There are no defaults in meeting any statutory dues. There are no litigations outstanding filed by or against the company.

There are no litigations filed by or against this concern and it is not interested in any transaction of the Issuing company except to the extent mentioned in the '*Statement of Related Party Transactions, as restated*' on page no 104 of the section titled '*Financial Information*' of this Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the result of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

## SECTION VI: FINANCIAL INFORMATION

### AUDITORS REPORT ON FINANCIAL INFORMATION OF LEX NIMBLE SOLUTIONS LIMITED

To,  
The Board of Directors,  
Lex Nimble Solutions Ltd  
Q3, A1, 10<sup>th</sup> Floor, Cyber Towers,  
HITEC City, Madhapur, Hyderabad- 500081

Dear Sirs,

#### Re: Proposed Public Issue of Equity Shares of Lex Nimble Solutions Ltd

1. We have examined the attached **Restated Financial Information** of Lex Nimble Solutions Ltd. as on year/Period ended 31<sup>st</sup>October 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2013 and **Restated Profit & Loss and Cash Flow Statements** for the year/Period ended 31<sup>st</sup>October2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2013 for (Collectively the “**Restated Financial Statements**”), as approved by the Board of Directors of Lex Nimble Solutions Ltd. prepared in terms of the requirements of sub clause (i) and (iii) of clause (b) of sub-section (1) of section 26 of the companies Act, 2013 (the “Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended to date (the “SEBI Regulations”) in connection with the Company’s Proposed Initial Public Offer (IPO) of equity shares at ` 10/- each (referred to as the “**Issue**”) under the Fixed Price Issue Method.

2. The Restated Financial Information have been extracted by the management from the financial statements for the year/period ended 31<sup>st</sup>October 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2013. Audit for these year’s financial statements were carried out by us, approved by the Board of Directors and adopted by the Members in those respective financial years.

3. In accordance with the requirement and In accordance with the requirements of sub-clause (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities)Rule, 2014, the SEBI Regulations; Revised Guidance Note on Reports in Company Prospectus (as amended from time to time) issued by the Institute of Chartered Accountants of India (the “ICAI”) and the term of our engagement agreed with you, we further report that:

I. The Restated Statement of Assets and Liabilities of the Company as at 31<sup>st</sup> October 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2013 as set out in “**Annexure 1**” to this report read with the Significant Accounting Policies and related Notes in Annexure IV are after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relate and more fully described in Schedules to the Restated Summary Statements.

II. The Restated Profit & Loss Statement of the Company for the Year/Period ended 31<sup>st</sup> October 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2013 as set out in “**Annexure 2**” to this report read with the significant accounting policies and related Notes in Annexure IV are after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relates and more fully described in Schedules to the Restated Summary Statements.

III. We have also examined the following financial information as set out in Annexure prepared by the Management and approved by the Board of Directors relating to the Company for the year/ Period ended 31<sup>st</sup> October 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2013:

Annexure-1 :	Statement of Assets and Liabilities as Restated
Annexure-2 :	Statement of Profits and Losses as Restated
Annexure-3 :	Statement of Cash Flows as Restated
Annexure-4 :	Significant Accounting Policies and Notes to Accounts
Annexure-5 :	Detail of Share Capital as Restated
Annexure-6 :	Detail of Reserve and Surplus as Restated
Annexure-7 :	Summary of Accounting Ratios as Restated

Annexure-8 :	Capitalization Statement as Restated
Annexure-9 :	Statement of Tax Shelters as Restated
Annexure-10 :	Detail of Long -Term Provisions
Annexure-11 :	Detail of Trade Payables as Restated
Annexure-12 :	Detail of Other Current Liabilities and other Provisions as restated
Annexure-13 :	Detail of Tangible and Intangible Assets as Restated
Annexure-14 :	Detail of Trade Receivables as Restated
Annexure-15 :	Detail of Cash and Bank Balance as restated
Annexure-16 :	Detail of Long -Term Loans and Advances
Annexure-17 :	Detail of Short Term Loans & Advances as restated
Annexure-18 :	Detail of Other Current Assets
Annexure-19 :	Detail of Revenue from Operation as Restated
Annexure-20 :	Detail of other Income as Restated
Annexure-21 :	Details of Related Party Transactions as Restated

In our Opinion, the above financial information contained in Annexure 1 to 25 of this report read along with the Restated Statement of Significant Accounting Policies, and related Notes (refer Annexure IV) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations and the Guidance Notes on the Reports in Company's Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you.

Our report is intended solely for the use of management and for inclusion in the Offer Document / Offer Document in connection with the proposed issue of equity shares of the Company and our Report should not to be used, referred to or distributed for any other purpose without our written consent.

For **SPC & Associates**  
Chartered Accountants  
FRN: 005685S

sd/-  
CA Sundarri. P  
Partner  
MRN: 217719

Date: 15.12.2017  
Place: Hyderabad

## STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ In '000)

	Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>A.</b>	<b>Non- Current Assets:</b>						
	<b>Fixed Assets</b>						
	Tangible assets	2,121.97	2,278.93	2,710.78	2,957.94	662.01	723.89
	Intangible assets	9.57	1.11	3.93	14.75	54.29	90.49
	<b>Total</b>	<b>2,131.53</b>	<b>2,280.04</b>	<b>2,714.71</b>	<b>2,972.68</b>	<b>716.30</b>	<b>814.38</b>
	Deferred tax asset (Net)	96.53	84.51	39.88	17.48	-	-
	Long-term loans and advances	13.75	14.95	14.95	18.70	1,126.11	1,126.11
	<b>Total Non-Current Assets</b>	<b>2,241.80</b>	<b>2,379.49</b>	<b>2,769.54</b>	<b>3,008.87</b>	<b>1,842.42</b>	<b>1,940.49</b>
<b>B.</b>	<b>Current Assets:</b>						
	Trade receivables	8,085.64	433.99	5,674.87	14,815.01	11,165.99	3,066.01
	Cash and bank balances	38,755.29	45,028.96	13,312.75	6,307.08	1,407.52	1,304.78
	Short-term loans and advances	1,379.13	1,586.32	26,162.83	26,438.14	6,455.49	5,529.67
	Other current assets	1,752.87	695.62	147.07	-	-	24.81
	<b>Total</b>	<b>49,972.93</b>	<b>47,744.89</b>	<b>45,297.52</b>	<b>47,560.23</b>	<b>19,029.00</b>	<b>9,925.27</b>
	<b>Total assets (C = A + B)</b>	<b>52,214.73</b>	<b>50,124.38</b>	<b>48,067.06</b>	<b>50,569.10</b>	<b>20,871.41</b>	<b>11,865.76</b>
<b>D.</b>	<b>Non-current liabilities</b>						
	Deferred tax liability	-	-	-	-	46.05	37.31
	Long-term provisions	705.48	705.48	-	-	-	-
	<b>Total</b>	<b>705.48</b>	<b>705.48</b>	<b>-</b>	<b>-</b>	<b>46.05</b>	<b>37.31</b>
<b>E.</b>	<b>Current liabilities:</b>						
	Trade Payables	-	194.45	94.20	-	29.68	-
	Other current liabilities	217.09	240.03	71.22	3,180.87	1,002.94	151.96
	Short-term provisions	1,428.05	664.17	83.60	723.38	561.39	342.53
	<b>Total</b>	<b>1,645.14</b>	<b>1,098.64</b>	<b>249.02</b>	<b>3,904.26</b>	<b>1,594.02</b>	<b>494.49</b>
	<b>Total liabilities (F = D + E)</b>	<b>2,350.37</b>	<b>1,804.12</b>	<b>249.02</b>	<b>3,904.26</b>	<b>1,640.07</b>	<b>531.80</b>
	<b>Net Worth (C - F)</b>	<b>49,864.13</b>	<b>48,320.26</b>	<b>47,818.04</b>	<b>46,664.84</b>	<b>19,231.35</b>	<b>11,333.96</b>
	<b>Net worth represented by:</b>						
	<b>Shareholder's funds</b>						
	<b>Share capital</b>						
	Equity Share capital	30,780.00	5,117.78	5,117.78	5,117.78	2,500	1,529.31
<b>G.</b>	<b>Total Share capital</b>	<b>30,780.00</b>	<b>5,117.78</b>	<b>5,117.78</b>	<b>5,117.78</b>	<b>2,500</b>	<b>1,529.31</b>
.	<b>Reserves and surplus</b>						

	General reserves	397.23	397.23	397.23	281.91	182.43	73.09
	Net surplus in the statement of profit and loss	6,089.63	4,900.79	4,398.57	3,360.69	2,285.89	1,301.84
<b>H.</b>	<b>Total reserves and surplus</b>	<b>6,486.86</b>	<b>5,298.02</b>	<b>4,795.80</b>	<b>3,642.60</b>	<b>2,468.32</b>	<b>1,374.93</b>
<b>I.</b>	Share Premium	12597.26	37,904.46	37,904.46	37,904.46	14,263.03	8,429.72
<b>J.</b>	Share Application money	-	-	-	-	-	-
	<b>Net Worth (G + H + I + J)</b>	<b>49,864.13</b>	<b>48,320.26</b>	<b>47,818.04</b>	<b>46,664.84</b>	<b>19,231.35</b>	<b>11,333.96</b>

**STATEMENT OF PROFIT AND LOSS, AS RESTATED**

(₹ In '000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Incomes:</b>						
Revenue from operations	9,105.82	16,435.30	13,607.94	14,008.68	21,744.24	12,613.51
Other income	951.29	995.25	650.73	142.84	202.80	88.32
<b>Total revenue</b>	<b>10,057.11</b>	<b>17,430.55</b>	<b>14,258.67</b>	<b>14,151.52</b>	<b>21,947.04</b>	<b>12,701.83</b>
<b>Expenses:</b>						
Purchase of stock-in-trade	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	-
Employee benefit expenses	4,634.92	12,699.54	9785.00	7,610.93	13,414.84	6,124.57
Other expenses	3,447.84	3,120.48	2,247.59	4,248.54	6,688.71	5,342.76
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>1,974.35</b>	<b>1,610.13</b>	<b>2226.08</b>	<b>2,292.05</b>	<b>1,843.48</b>	<b>1234.49</b>
Depreciation and amortization expenses	246.43	588.12	556.96	513.58	241.37	180.43
Finance cost	-	-	-	-	-	-
<b>Restated profit / (loss) before tax</b>	<b>1,727.93</b>	<b>1,022.00</b>	<b>1,669.12</b>	<b>1,778.47</b>	<b>1,602.11</b>	<b>1,054.06</b>
Prior Period Items	-	-	-	1.17	-	6.50
<b>Tax expenses / (income)</b>						
Current tax	551.11	564.41	538.31	646.61	499.98	291.97
Deferred tax	(12.02)	(44.62)	(22.40)	(63.53)	8.74	24.73
Fringe benefit tax						
<b>Total tax expenses</b>	<b>539.09</b>	<b>519.79</b>	<b>515.91</b>	<b>583.08</b>	<b>508.72</b>	<b>316.70</b>
Restated profit / (loss) after Tax	1,188.84	502.21	1,153.20	1,194.22	1,093.39	730.86

## STATEMENT OF CASH FLOWS, AS RESTATED

(₹ In '000)

	Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>						
	Restated profit before tax	1,727.93	1,022	1,669.12	1,777.29	1,602.11	1,047.56
	Depreciation	246.43	588.12	556.96	513.58	241.37	180.43
	Profit on sale of Fixed Asset	-	-	-	-	-	(77.32)
	Gratuity	-	705.48	-	-	-	-
	Prior period Items	-	-	-	1.17	-	-
	Provision for tax and income tax demand	-	-	-	-	-	-
	Foreign exchange Loss/(Gain)	234.59	376.92	(511.12)	(142.84)	(202.80)	13.82
	Provision for Deferred tax Liabilities/ Assets	-	-	-	-	-	-
	Interest income	-	-	-	-	-	-
	Dividend Income	-	-	-	-	-	-
	<b>Operating profit before working capital changes</b>	<b>2,208.94</b>	<b>2,692.52</b>	<b>1,714.97</b>	<b>2,149.21</b>	<b>1,640.68</b>	<b>1,164.49</b>
	<b>Movement in working capital</b>						
	Decrease (Increase) in trade receivables	(7,651.65)	5,240.88	9,140.14	(3,649.02)	(8,099.99)	(1,149.78)
	Decrease (Increase) in inventories						
	Decrease (Increase) in short-term loans and advances	342.01	24,463.11	(284.42)	-	229.67	(229.67)
	Decrease (Increase) in other current assets	(1,192.07)	(435.15)	(125.66)	(19,982.65)	(1,130.68)	(5,284.81)
	Increase (Decrease) in trade payables	(232.16)	119.15	98.17	(52.32)	37.84	(625.68)
	Increase (Decrease) in other current liabilities	14.77	149.91	(3,113.62)	2,200.57	842.82	(87.74)
	Decrease (Increase) in long-term loans and advances	-	-	-	-	-	-
	Increase (Decrease) in short-term provisions	777.20	580.56	6.83	15.35	10.85	42.06
	<b>Cash flow from (used in) operations</b>	<b>(5,732.96)</b>	<b>32,810.99</b>	<b>7,436.40</b>	<b>(19,318.86)</b>	<b>(6,468.80)</b>	<b>(6,171.12)</b>
	Direct Taxes paid including FBT (Net of refunds)	(564.41)	(564.41)	(646.61)	(499.98)	(291.97)	(112.13)
	<b>Net cash generated / (used in) operating activities (A)</b>	<b>(6297.38)</b>	<b>32,246.58</b>	<b>6,789.79</b>	<b>(19,820.01)</b>	<b>(6,760.76)</b>	<b>(6,283.25)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
	Interest Received	-	-	-	-	-	-
	Dividend Received	-	-	-	-	-	-
	(Purchase) / Sale of fixed assets	(97.92)	(153.45)	(298.99)	(2,789.90)	(143.30)	(356.60)
	Long term loan & advances	1.20	-	3.75	1,107.42	-	145.57
	Purchase of Investments	-	-	-	-	-	-
	Sale of Investments	-	-	-	-	-	-
	Profit on sale of investment	-	-	-	-	-	-
	<b>Net cash flow from (used in) investing activities (B)</b>	<b>(96.72)</b>	<b>(153.45)</b>	<b>(295.24)</b>	<b>(1,682.49)</b>	<b>(143.30)</b>	<b>(211.04)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						

Proceeds from issue of share capital (including premium)	355.02	-	-	26,259.21	6,804	9,859.03
Proceeds from share application money	-	-	-	-	-	(2,346.29)
Finance Cost	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-
Proceeds from short term borrowing	-	-	-	-	-	-
Proceeds from long term borrowing from others	-	-	-	-	-	-
<b>Net cash generated from/ (used in) financing activities (C)</b>	-	-	-	<b>26,259.21</b>	<b>6,804</b>	<b>7,512.73</b>
Net Increase / (Decrease) in cash & cash equivalent (A+B+C)	(6,039.08)	32,093.13	6,494.55	4,756.72	(100.06)	1,018.45
Foreign Exchange Gain/(Loss)	(234.59)	(376.92)	511.12	142.84	202.80	(13.82)
<b>Increase or decrease in cash and cash equivalents</b>	<b>(6,273.67)</b>	<b>(31,716.21)</b>	<b>7,005.67</b>	<b>4,899.56</b>	<b>102.74</b>	<b>1,004.63</b>
Cash and cash equivalents at the beginning of the year / Period	45,028.96	13,312.75	6,307.08	1,407.52	1,304.78	300.15
<b>Cash and cash equivalents at the end of the year/ Period</b>	<b>38,755.29</b>	<b>45,028.96</b>	<b>13,312.75</b>	<b>6,307.08</b>	<b>1,407.52</b>	<b>1,304.78</b>

**Notes:**

- The above cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard-3 “Cash Flow Statement”.
- Previous year’s figures have been re-grouped /re-arranged/re-casted wherever necessary to make them comparable with those of the current year.

**ANNEXURE 4: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**Significant Accounting Policies**

**A. Basis of Preparation of Financial Statements:**

The Financial Statement of the Lex Nimble Solutions Limited ("the Company") have been prepared to comply in all material aspects with the accounting standards notified by the companies (Accounting Standard) Rules, read with rule 7 to the companies (Accounts) Rules, 2014 in respect of section 133 to the Companies Act, 2013. The Financial statements are prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies applied are consistent with those used in previous year.

**B. Own Fixed Assets:**

Fixed Assets are valued at cost less accumulated depreciation and net of CENVAT, unless re-valued, for which proper disclosure is made. All expenditure, including advances given and interest cost during the asset construction period, are accumulated and shown as Capital Work-in-Progress until the project/assets commences commercial production. Assets under construction are not depreciated. Expenditure arising out of trial run is part of pre-operative expenses included in Capital Work-in-Progress.

**C. Depreciation:**

Depreciation on items listed in Schedule II of the Companies Act, 2013 is charged according to the Written Down value method at rates specified in the said Schedule. Depreciation on Assets acquired/purchased during the year is provided on pro-rata basis according to the period each asset was put to use during the year.

**D. Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company is recognizing the Revenue on accrual basis. The accounting for the Revenue from Operations is being done as and when the Company raises the Invoice. The Foreign exchange rate as on the date of booking as per the RBI Archive rates will be considered.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

#### **E. Segment Reporting:**

The Company does not have reportable Segment as per requirement of “Accounting Standards 17 – Segment Reporting”. All the Revenue shown as part of revenue from operations comes from the Broking / Investing Activities of the company. All other revenues/incomes are show as Other Income.

#### **F. Borrowing cost:**

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalized. Other borrowing cost is recognized as expenses in the period in which they are incurred.

#### **G. Taxation:**

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 “timing difference” 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. Deferred Tax assets are recognized only to the extend there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be adjusted.

#### **H. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

#### **I. Earnings per Share:**

The Company reports basic and diluted earnings per equity share in accordance with (AS) 20, Earnings per share issued by the Institute of Chartered Accountants of India. Basic earnings per share has been computed by dividend net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity shares have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

#### **Notes to Accounts:**

1. There are no Auditor’s Qualifications in the Financial Statements of the Company.
2. As Previous year figures have been regrouped, reworked, rearranged and reclassified wherever necessary to render them comparable with current year figures.

#### **3. Income/ Expenditure in Foreign Currency:**

Particulars	Period Ended 31.10.2017	Amount in \$				
		FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Expenditure	-	-	-	-	-	-
Income	1,34,271	2,39,647	2,00,862	3,13,857	3,61,618	2,32,032

**4. Director's Remuneration:**

(₹ In '000)

Particulars	Period Ended 31.10.2017	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Salary	39,516	-	-	-	-	-
<b>TOTAL</b>	<b>39,516</b>	-	-	-	-	-

**5. Remuneration to Statutory Auditors:**

(₹ In'000)

Particulars	Period Ended 31.10.2017	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Audit Fees	-	70	50	45	30	30
Taxation Matters	-	25	30	30	30	20
ROC Matters	472.40	12.6	27.5	135.6	-	41.5
Other Legal & Professionals	61.50	-	-	39.5	-	15
<b>TOTAL</b>	<b>533.90</b>	<b>108</b>	<b>108</b>	<b>250.10</b>	<b>60</b>	<b>107</b>

**6. Deferred Tax Calculations:**

Deferred Tax Liability/(Assets) is calculated on the Timing Difference between W.D.V. of Fixed Assets as per Companies Act and as per Income Tax Act & Deferred Tax Asset is recognized for business losses as per income Tax Act to the extent that there is virtual certainty that sufficient future taxable income will be taxable against which Deferred Tax Assets can be realized.

(₹In'000)

Period Ended 31.10.2017	FY 2016-2017	FY 2015-2016	FY 2014-2015	FY 2013-2014	FY 2012-013
(12.02)	(44.62)	(22.40)	(63.54)	8.75	24.73

7. The Company has not received any intimation from suppliers regarding their status under micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end as required under the said Act have not been furnished.

8. In the opinion of Board of Directors, the value of realization of current assets, loans and advances in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.

9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.

**10. Contingent Liabilities**

There are no Contingent Liabilities in the Company as on October 31, 2017.

**11. Other notes regarding adjustments or regroupings:**

i. There have been no Adjustments/ rectification for any incorrect accounting practices or failures to make provisions or other adjustments which would result in audit qualifications.

ii. There are no Audit qualifications, which have not been given effect to.

iii. There are no material events whereby any adjustment would need to be made in previous years in order to ensure that the profits of each year pertain to events triggered in that year.

iv. There has not been any change in accounting policy, whereby the profits or losses of the earlier years (required to be shown in the offer document) need to be recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years.

v. Appropriate adjustments have been made in the Restated financial statements, wherever required, by a reclassification of the corresponding items of assets, liabilities, Income, Expenditure and cash flows, in order to bring them in line with the groupings as per the audited financials of the Company for the year ended October 31, 2017. However, there has

been no impact on the “Profit after tax” figure disclosed in the Restated Financial Statements for any of these re-groupings.

## ANNEXURE 5

### STATEMENT OF DETAILS OF SHARE CAPITAL, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>(a) Authorised</b>						
57,00,000 Equity shares of Rs.10/- each with voting rights	57,000	7,000	7,000	7,000	2,500	2,500
<b>Total</b>	<b>57,000</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>	<b>2,500</b>	<b>2,500</b>
<b>(b) Issued</b>						
Equity shares of Rs.10/- each with voting rights	30,780.00	5,117.78	5,117.78	5,117.78	2,500	1,529.31
<b>Total</b>	<b>30,780.00</b>	<b>5,117.78</b>	<b>5,117.78</b>	<b>5,117.78</b>	<b>2,500</b>	<b>1,529.31</b>
<b>(c) Subscribed and fully paid up</b>						
Equity shares of Rs.10/- each with voting rights	30,780.00	5,117.78	5,117.78	5,117.78	2,500	1,529.31
<b>Total</b>	<b>30,780.00</b>	<b>5,117.78</b>	<b>5,117.78</b>	<b>5,117.78</b>	<b>2,500</b>	<b>1,529.31</b>

## ANNEXURE 6

### STATEMENT OF DETAILS OF RESERVES AND SURPLUS, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Securities Premium Account B/f</b>	37,904.46	37,904.46	37,904.46	14,263.03	8,429.72	8,429.72
Add: Premium on Issue of equity shares	281.70	-	-	23,641.43	5,833.31	-
Less: Utilized for Bonus Issue	25,588.90	-	-	-	-	-
Less: Amortization of share issue expenses						
<b>Securities Premium Account C/f (A)</b>	<b>12,597.26</b>	<b>37,904.46</b>	<b>37,904.46</b>	<b>37,904.46</b>	<b>14,263.03</b>	<b>8,429.72</b>
Profit/(Loss) Brought Forward	4,900.78	4,398.57	3,360.69	2,285.89	1,301.84	644.07
Add: Profit/(Loss) For the year	1,188.84	502.21	1,037.88	1,074.79	984.05	657.78
<b>Profit/(Loss) Carried Forward (B)</b>	<b>6,089.63</b>	<b>4,900.78</b>	<b>4,398.57</b>	<b>3,360.69</b>	<b>2,285.89</b>	<b>1,301.84</b>
Opening General Reserve	397.23	397.23	281.91	182.43	73.09	-
Add: Current year	-	-	115.32	119.42	109.34	73.09
Less: Fixed Assets written off	-	-	-	(19.94)	-	-
<b>General Reserve(C)</b>	<b>397.23</b>	<b>397.23</b>	<b>397.23</b>	<b>281.91</b>	<b>182.43</b>	<b>73.09</b>
<b>Reserve &amp; Surplus (A+B+C)</b>	<b>19,084.37</b>	<b>43,202.47</b>	<b>42,700.26</b>	<b>41,547.06</b>	<b>16,731.35</b>	<b>9,804.65</b>

## ANNEXURE 7

### STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(₹ In'000 except share data)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Net Worth (A)	49,864.37	48,320.26	47,818.04	46,664.84	19,231.35	11,333.96
Net Profit After Tax (B)	1,188.84	502.21	1,153.20	1,194.22	1,093.39	730.86
No. of shares outstanding at the end [ F.V Rs. 10/-] (C)	5,19,110	5,11,778	5,11,778	5,11,778	2,50,000	1,52,931
Weighted average number of shares outstanding [F.V Rs.10/-] (D)	5,11,985	5,11,778	5,11,778	3,22,014	1,99,737	1,03,439
Bonus Shares (E)	<b>25,58,890</b>	-	-	-	-	-
Weighted average number of shares post bonus [F.V Rs. 10/-] (F)	30,70,875	5,11,778	5,11,778	3,22,041	1,99,737	1,03,439
Earnings Per share (EPS) (B/F) (in Rs.)	0.39	0.98	2.25	3.71	5.48	7.07
Return on net Worth (B/A)	2.38%	1.04%	2.41%	2.56%	5.69%	6.45%
Net Assets Value per share (A/F) (in Rs.)	16.24	94.42	93.44	144.92	96.28	109.57

#### Definition of Key Ratios:

- I. Earnings Per share (Rs): Net Profit attributable to equity shareholder / weighted average number of equity shares.  
Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. In case of a bonus issue after the Balance Sheet date but before the date on which the Financial Statements are approved by the Board of Directors', the per share calculations for those Financial statements and any prior period Financial Statements presented are based on the new no. of shares. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.
- II. Return on Net Worth (%): Net profit tax / Net worth as at the end of the year / period.
- III. Net Asset Value (Rs): Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period.
- IV. Net Profit, as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

## ANNEXURE 8

### CAPITALISATION STATEMENT, AS RESTATED

(₹ In'000)

Particulars	Pre-issue as at	Post Issue*
<b>Borrowings :</b>		
Short-term Debt	-	
Long-term Debt	-	
<b>Total Debt</b>	-	
<b>Shareholders' fund:</b>		
Share capital	-	
- Equity	30,780	

Less: Call in arrears	-	
- Preference	-	
Reserve & Surplus	19,084.12	
Less: Miscellaneous Expenditure not written off	-	
<b>Total Shareholders' Funds</b>	-	
Long - Term Debt / Shareholders Fund	-	
Short - Term Debt / Shareholders Fund	-	

\* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares.

## ANNEXURE 9

### STATEMENT OF TAX SHELTERS, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Profit before tax as per Restated Profit & Loss	1727.93	1,022	1,669.12	1,777.29	1,602.11	1,047.56
Applicable Corporate Tax Rate	29.87%	29.87%	30.90%	30.90%	30.90%	30.90%
Minimum Alternative Tax Rate	18.50%	18.50%	18.50%	18.50%	18.50%	18.50%
Tax at Notional Rate						
<b>Adjustments</b>						
Difference between Tax and Book Depreciation	40.24	149.39	72.49	205.61	(28.30)	(80.04)
Exempted Income	-	-	-	-	-	-
Disallowance	76.85	718.18	0.51	1.17	3.65	11.04
Other Non-Taxable Income	-	-	-	-	-	(77.32)
Items Chargeable at special rates	-	-	-	-	-	-
Set off of Business Losses / Unabsorbed Depreciation	-	-	-	-	-	-
<b>Net Adjustments</b>	<b>117.09</b>	<b>867.57</b>	<b>73</b>	<b>206.79</b>	<b>(24.65)</b>	<b>(146.32)</b>
Tax Saving thereon	-	-	-	-	-	-
Tax Saving to the extent of Tax at Notional Rate	-	-	-	-	-	-
<b>Tax Payable [A]</b>	<b>551.11</b>	<b>564.41</b>	<b>538.31</b>	<b>613.08</b>	<b>487.44</b>	<b>278.48</b>
Add: Interest on Income Tax				33.53	12.54	13.48
Tax Payable on items chargeable at special rates [B]	-	-	-	-	-	-
<b>Total Tax Payable [C=A+B]</b>	<b>551.11</b>	<b>564.41</b>	<b>538.31</b>	<b>646.61</b>	<b>499.98</b>	<b>291.97</b>
TDS, advance tax and Tax Rebates [D]	343.02	685.12	616.41	238	500	200
<b>Net Tax Payable [E=C-D]</b>	<b>208.09</b>	<b>(120.71)</b>	<b>(78.1)</b>	<b>408.61</b>	<b>(0.02)</b>	<b>91.97</b>

## ANNEXURE 10

## STATEMENT OF LONG TERM PROVISIONS, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Provision for Gratuity	705.48	705.48	-	-	-	-
<b>Total</b>	<b>705.48</b>	<b>705.48</b>	-	-	-	-

## ANNEXURE 11

## STATEMENT OF DETAILS OF TRADE PAYABLES, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Sundry Creditors for Goods Purchased	-	194.45	94.20	-	29.68	-
<b>TOTAL</b>	-	<b>194.45</b>	<b>94.20</b>	-	<b>29.68</b>	-

## ANNEXURE 12

## STATEMENT OF DETAILS OF OTHER CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Other Current Liabilities</b>						
Salary payable	-	-	-	7.50	-	8.87
Auditor's Remuneration payable	-	-	-	-	-	-
Advance from Customers	31.20	-	-	3,129.54	901.50	102.39
Rent Payable	-	108	-	-	-	-
Reimbursement of Travel Expenses	49.18	21.68	-	-	-	-
Telephone Bill Payable	-	6.69	0.04	3.67	-	-
Others Payable	35.55	37.71	18.81	14.84	37.48	29.33
<b>Statutory Dues Payable:</b>						
TDS Payable	68.68	61.58	45.70	19.47	61.56	8.88
PT Payable	1.95	4.10	4.80	5.58	2.40	2.50
Swachh Bharat cess	-	-	1.86	-	-	-
Service Tax Payable	17.92	-	-	-	-	-
Output GST 18%	12.60					
<b>Sub Total (A)</b>	<b>217.09</b>	<b>240.03</b>	<b>71.22</b>	<b>3,180.87</b>	<b>1,002.94</b>	<b>151.96</b>
<b>Provisions:</b>						
Audit fee provision	-	99.75	83.60	76.77	61.42	50.56
Provision for taxes	551.11	564.41	-	646.61	499.98	291.97
ILBS- LLP, India	876.95					
<b>Sub Total (B)</b>	<b>1,428.06</b>	<b>664.16</b>	<b>83.60</b>	<b>723.38</b>	<b>561.39</b>	<b>342.53</b>
<b>TOTAL (A+B)</b>	<b>1,645.14</b>	<b>904.19</b>	<b>154.82</b>	<b>3,904.26</b>	<b>1,564.33</b>	<b>494.49</b>

## ANNEXURE 13

## STATEMENT OF DETAILS OF TANGIBLE AND INTANGIBLE ASSETS, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Tangible Assets:</b>						
<b>Gross Block</b>						
Opening Balance	4,624.58	4,471.13	4,172.14	1,382.24	1,238.95	995.54
Add: Addition during the year	88.92	153.45	298.99	2,789.90	143.30	385.10
Less: Deletion during the year	-	-	-	-	-	141.70
<b>Closing Balance (A)</b>	<b>4,713.50</b>	<b>4,624.58</b>	<b>4,471.13</b>	<b>4,172.14</b>	<b>1,382.24</b>	<b>1,238.95</b>
<b>Accumulated Depreciation</b>						
Opening Balance	2,345.65	1,760.36	1,214.21	720.23	515.06	436.66
Add: Depreciation charged during the year	245.87	585.30	546.15	474.03	205.18	174.42
Add: Retained Earnings Adjustments	-	-	-	19.94	-	-
Less: Reversal on disposal	-	-	-	-	-	94.02
<b>Closing Balance (B)</b>	<b>2591.53</b>	<b>2,345.66</b>	<b>1,760.36</b>	<b>1,214.21</b>	<b>720.24</b>	<b>515.06</b>
<b>NET BLOCK (A-B)</b>	<b>2,121.97</b>	<b>2,278.93</b>	<b>2,710.78</b>	<b>2,957.94</b>	<b>662.01</b>	<b>723.89</b>
<b>Intangible Assets:</b>						
<b>Gross Block</b>						
Opening Balance	96.50	96.50	96.50	96.50	96.50	-
Add: Addition during the year	9.00	-	-	-	-	96.50
Less: Deletion during the year	-	-	-	-	-	-
<b>Closing Balance (A)</b>	<b>105.50</b>	<b>96.50</b>	<b>96.50</b>	<b>96.50</b>	<b>96.50</b>	<b>96.50</b>
<b>Accumulated Depreciation</b>						
Opening Balance	95.39	92.57	81.75	42.21	6.01	-
Add: Depreciation charged during the year	0.55	2.28	10.82	39.55	36.20	6.01
Less: Reversal on disposal	-	-	-	-	-	-
<b>Closing Balance (B)</b>	<b>95.94</b>	<b>95.39</b>	<b>92.57</b>	<b>81.75</b>	<b>42.21</b>	<b>6.01</b>
<b>NET BLOCK (A-B)</b>	<b>9.57</b>	<b>1.11</b>	<b>3.93</b>	<b>14.75</b>	<b>54.30</b>	<b>90.49</b>

## ANNEXURE 14

## STATEMENT OF DETAILS OF TRADE RECEIVABLES, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>(A) Unsecured, Considered good outstanding for a period of less than six months</b>						
Amount due from ILBSG – LLP	-	-	5,230.9	-	-	3,066.01
Amount due from Lex Nimble Solutions Inc	7,768.64	-	443.97	14,815.01	11,165.99	
Amount due from Verinon Solutions Tech Pvt Ltd	317	-	-	-	-	-
<b>TOTAL</b>	<b>8,085.64</b>		<b>5,674.87</b>	<b>14,815.01</b>	<b>11,165.99</b>	<b>3,066.01</b>
<b>(B) Unsecured, Considered good outstanding for a period of more than six months</b>						
Amount due from ILBSG – LLP	-	-	-	-	-	-
Amount due from Lex Nimble Solutions Inc.	-	433.99	-	-	-	-
<b>TOTAL</b>		<b>433.99</b>				

## ANNEXURE 15

## STATEMENT OF DETAILS OF CASH AND BANK BALANCE, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Cash in Hand	167.98	20.86	5.83	5.52	10.43	13.82
Balance with banks	3,841.32	10,262.10	3,306.91	6,301.56	1,397.10	1,290.96
Fixed Deposit	34,746	34,746	10,000	-	-	-
<b>TOTAL</b>	<b>38,755.29</b>	<b>45,028.96</b>	<b>13,312.75</b>	<b>6,307.08</b>	<b>1,407.52</b>	<b>1,304.78</b>

## ANNEXURE 16

## STATEMENT OF DETAILS OF LONG TERM LOANS AND ADVANCES, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>DEPOSITS:</b>						
Parking Deposit - L&T	9.00	9.00	9.00	12.75	12.75	12.75
Telephone Deposit	3.85	3.85	3.85	3.85	1.00	1.00
Water Deposit	0.90	2.1	2.1	2.1	0.90	0.90
Lease Deposit- L& T	-	-	-	-	1,111.46	1,111.46
<b>TOTAL</b>	<b>13.75</b>	<b>14.95</b>	<b>14.95</b>	<b>18.70</b>	<b>1,126.11</b>	<b>1,126.11</b>

## ANNEXURE 17

## STATEMENT OF DETAILS OF SHORT TERM LOANS AND ADVANCES, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Advance to Suppliers	-	-	-	0.56	-	229.67
Advance Tax	201.00	550	56.69	238	500	200
Input Service Tax	1,049.85	1,036.32	1036.14	949.58	855.49	-
Advance for Building/flat	-	-	25,070	25,250	5,100	5,100
Others	128.28	-	-	-	-	-
<b>TOTAL</b>	<b>1,379.13</b>	<b>1,586.32</b>	<b>26,162.83</b>	<b>26,438.14</b>	<b>6,455.49</b>	<b>5,529.67</b>

## ANNEXURE 18

## STATEMENT OF DETAILS OF OTHER CURRENT ASSETS, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
TDS Receivable	142.02	134.82	21.41	-	-	24.81
Interest Receivable	1,417.06	560.80	125.66	-	-	-
Input GST	193.79	-	-	-	-	-
Others	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,752.87</b>	<b>695.62</b>	<b>147.07</b>	<b>-</b>	<b>-</b>	<b>24.81</b>

## ANNEXURE 19

## STATEMENT OF DETAILS OF REVENUE FROM OPERATION, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Sales- Shares & Securities	-	-	-	-	-	-
Income from Services	9,105.82	16,435.30	13,607.94	14,008.68	21,744.24	12,613.51
Other Operating Revenue	-	-	-	-	-	-
<b>TOTAL</b>	<b>9,105.82</b>	<b>16,435.30</b>	<b>13,607.94</b>	<b>14,008.68</b>	<b>21,744.24</b>	<b>12,613.51</b>

## ANNEXURE 20

## STATEMENT OF DETAILS OF OTHER INCOME, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Dividend Received	-	-	-	-	-	-
Shares Derivative Income	-	-	-	-	-	-

Interest Income	951.29	995.25	139.62	-	-	-
Profit on sale of investment	-	-	-	-	-	77.32
Foreign Exchange Gain	-	-	511.11	142.84	202.80	-
Other Income						11.00
<b>TOTAL</b>	<b>951.29</b>	<b>995.25</b>	<b>650.73</b>	<b>142.84</b>	<b>202.80</b>	<b>88.32</b>

## ANNEXURE 21

### STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS, AS RESTATED

(₹ In'000)

Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b><u>REVENUE ITEMS</u></b>						
Rendering of Services	8,632.82	16,067.10	13,235.39	14,008.68	21,744.24	12,613.51
Remuneration to promoters, Directors and KMP	-	-	-	-	-	-
Receiving of Services	830.00	480.00	180.00	-	-	-
<b><u>NON-REVENUE ITEMS</u></b>						
Equity Contribution Including share premium	30,779.93	5,117.78	5,117.78	5,117.78	2,500	1,529.31
Share Application Money Received	-	-	-	-	-	-
Loans & Advances Given	-	-	25,070	25,250	5,100	5,100
Unsecured loan Accepted	-	-	-	-	-	-
Advances Received	31.20	-	-	3,129.54	901.50	102.39
<b>TOTAL</b>	<b>40,273.95</b>	<b>21,664.88</b>	<b>43,603.17</b>	<b>47,506</b>	<b>30,245.74</b>	<b>19,345.21</b>
<b>Balance outstanding at the end of the year :</b>						
Long term Borrowings	-	-	-	-	-	-
Short term Borrowings	-	-	-	-	-	-
Trade receivables	8,085.64	433.99	5,674.87	14,815.01	11,165.99	3,066.01
Advance Received	31.20	-	-	3,129.54	901.50	102.39
Payable	874.80	108.00	-	-	-	-

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS PER RESTATED FINANCIAL STATEMENTS

### Summary of Business Overview:

The primary line of activity of our Company has been Appraisal Advisory, Certification, training and related services on quality models, IT product and development and services. The Company now plans to foray into CMMI consulting and also establish itself as an ISO certifying body. It also plans to introduce one of the products owned by Lex Nimble Solutions Inc., its holding company, called SimpleLaw in the Indian market.

### Significant developments after 31<sup>st</sup> October, 2017 that may affect our results of operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities.

### Factors affecting our results of operations and financial condition:

#### Competition

Competition is imperative as the market for IT products and services that is evolving both in the domestic and international market. Quality Certification being the new area of focus for the Company and there being a growing emphasis and demand in adopting a standardized operating procedure to streamline the process and therefore, improve quality, makes this domain an opportunity of plenty.

#### Macroeconomic Factors

In a global economy, economic instability, political uncertainty, social upheavals or acts of God could impact any business and therefore, ours is no exception. In addition, fluctuations in interest rates and exchange rates would also have an impact on our operations and profit margins.

### Results of our operations

	(₹ in '000)			
Particulars	31.10.2017	31.03.2017	31.03.2016	31.03.2015
<b>Incomes:</b>				
Revenue from operations	9,105.82	16,435.30	13,607.94	14,008.68
yoy (%)		20.77%	(2.86%)	
Other income	951.29	995.25	650.73	142.84
yoy (%)		52.94%	355.56%	
<b>Total revenue</b>	<b>10,057.11</b>	<b>17,430.55</b>	<b>14,258.67</b>	<b>14,151.52</b>
yoy (%)		22.25%	0.75%	
<b>Expenses:</b>				
Employee benefit expenses	4,634.92	12,699.54	9785.00	7,610.93
yoy (%)		29.78%	28.57%	
Other expenses	3,477.84	3,120.48	2,247.59	4,248.84
yoy (%)		38.84 %	(47.10%)	
Total	<b>8112.76</b>	<b>15820.02</b>	<b>12032.59</b>	<b>11859.77</b>
yoy (%)		31.48%	1.45%	
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>1,974.35</b>	<b>1,610.13</b>	<b>2226.08</b>	<b>2,292.50</b>
yoy (%)		(27.67%)	(2.89%)	
Depreciation and amortization expenses	246.63	588.12	556.96	513.58
yoy (%)		5.59%	8.45%	
Finance cost	-	-	-	--

<b>Restated profit / (loss) before tax</b>	1,727.93	1,022.00	1,669.12	1,778.47
<b>yoy (%)</b>		(38.77%)	(6.15%)	
<b>Tax expenses / (income)</b>				
Current tax	551.11	564.51	538.31	646.61
Deferred tax	(12.02)	(44.62)	(22.40)	(63.53)
Fringe benefit tax				
<b>Total tax expenses</b>	<b>539.09</b>	<b>519.79</b>	<b>515.91</b>	<b>583.08</b>
Restated profit / (loss) after Tax	1,188.84	502.21	1,153.20	1,194.22
<b>yoy (%)</b>		(56.45%)	(3.43%)	

### Revenue from operations

Our total income constitutes revenue from our operations from our major revenue streams being IT application development, maintenance and support, development and maintenance of portals and mobile applications, corporate training and consulting. For the seven- month period ended 31<sup>st</sup> October, 2017 the revenue from operations was recorded at around ₹ 91 Lakhs. The increase was due to increase in volume of services.

For the seven- month period ended 31<sup>st</sup> October, 2017 the other income was about ₹ 9.5 Lakhs primarily earned as interest from fixed deposits.

### Fiscal 2017 compared to Fiscal 2016

#### Revenue

The revenue from operations for FY 17 has risen by about 20% over FY 16 to ₹ 164 Lakhs. This increase has been primarily due to increase in volume of services.

#### Expenditure

Employee benefit expense is a major component of our expenses with the Company being in the IT services and support centred around human resources. The expense component increased by about 29% during FY 17 compared to FY 16 of which increase in salaries alone accounted for around 23%. Also during this year, an amount towards gratuity was accounted as an expense under this head and a provision was also created to this effect.

#### Other expenses

The other expenses are administrative expenses for the day to day operations. Compared to FY 16 this component has gone up by about 39%. This has been largely due to increase in rent, communication, maintenance and travelling expenses incurred for business development. Foreign exchange loss was also booked as an expense under this head.

#### Profit after tax

There is a dip in profit after tax by about half compared to that of FY 16. Though the total income for FY 17 went up by 22% from that of FY 16, the increased spending on employee benefit expenses, especially the salaries and increase in running costs of rent and maintenance curbed the growth in profit after tax. This however is not a sign of poor revenue generation but increased spending as we continue to grow and diversify our business.

### Fiscal 2016 compared to Fiscal 2015

#### Revenue

The revenue from operations during FY 16 reduced marginally by about 3% than that for FY 15. However, during this year the Company also broad based its operations by tapping business opportunities in the domestic market. The other income almost tripled during FY 16 compared to FY 15. This has largely been due to the foreign exchange gain on account of exchange rate difference between the time of raising an invoice and actual payment done by the customer.

#### Expenditure

Employee benefit expense is a major expense for a Company engaged in IT and related services. The expense component increased by 29% during FY 16 compared to FY 15 of which increase in salaries alone accounted for a 32% increase.

## **Other expenses**

There was a decrease in the running costs compared to FY 15 because of a significant reduction in the rent paid due to shifting of registered office.

## **Net Profit**

There was a marginal dip in the net profit for FY 16 by 3.43% compared to FY 15. Employee benefit expenses have been a significant factor.

## **Related Party Transactions**

Our major customer is International Legal and Business Services Group LLP in the US which, is our promoter group entity and has been contributing to about 97% of our total revenue during FY 16 and FY 17. While we are diversifying, they would continue to be our major customers for some time to come.

Our registered office is located in a rented premise that is owned by International Legal and Business Services LLP, India which, is our promoter group entity. We are paying a rent for the premise and we have also executed a rental agreement for the same.

Our holding company has invested upto 97.81% of our total equity holding intended to be diluted through this IPO.

For more information on our holding company and ventures promoted by promoters and related party transactions please refer to Page nos.82, 85 and 104 respectively of this Prospectus.

## **Unusual or Infrequent Events or Transactions**

Except as discussed above, there have been no events or transactions to our knowledge which may be described as unusual or infrequent.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Chapters titled '*Risk Factors*', '*Financial Information*' and '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*', beginning on page nos. 10, 89 and 105 respectively of this Prospectus, to our knowledge there are no significant economic changes that materially affected or are 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 revenue or income from continuing operations**

Other than as described in the section titled '*Risk Factors*' and the chapter titled '*Management's Discussion and Analysis of Financial Conditions and Result of Operations*', beginning on page nos. 10 and 105 respectively of this Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

### **4. Future relationship between Costs and Income**

Other than as described in the section titled '*Risk Factors*' beginning on page no. 10 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

**5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

**6. Total turnover of each major industry segment in which the issuer company operates**

We have a few revenue streams for clarity of business and accounting which together merge under the umbrella of IT business, services, consulting and support. For details please refer to the section '*Our Business*' on page no. 59 of this Prospectus.

**7. Status of any publicly announced new products or business segments**

Please refer to the chapter titled '*Our Business*' beginning on page no. 59 of this Prospectus.

**8. The extent to which the business is seasonal**

Our business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers**

We derive a significant portion of our revenue from International Legal and Business Services Group LLP in the US which is our promoter group entity that is contributing to almost 97% of our revenue accounted as export sales.

## Section VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigations, suits, civil prosecution, criminal proceedings or tax liabilities proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals including pending proceedings for violation of statutory regulation or alleging criminal or economic offences against our Company, our Directors, our Promoters and promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part 1 of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Entities.

#### PART 1: LITIGATION RELATING TO THE COMPANY

##### A. CASES FIELD AGAINST THE COMPANY:

1. Litigations involving civil laws: NIL
2. Litigations involving criminal laws: NIL
3. Litigations involving securities and economic laws: NIL
4. Litigations involving statutory laws: NIL
5. Litigations involving labour laws: NIL

##### B. CASES FILED BY THE COMPANY

1. Litigations involving civil laws: NIL
2. Litigations involving criminal laws: NIL
3. Litigations involving securities and economic laws: NIL
4. Litigations involving statutory laws: NIL
5. Litigations involving labour laws: NIL

##### C. PAST PENALTIES NIL

##### D. OUTSTANDING LITIGATIONS, DEFAULTS PERTAINING TO MATTERS LIKELY TO AFFECT OPERATIONS AND FINANCE OF THE ISSUER, INCLUDING DISPUTED TAX LIABILITIES, PROSECUTIIN UNDER ANY ENACTMENT IN RESPECT OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 (1 OF 19856)

NIL

##### E. THE NAME(S) OF THE SMALL SCALE UNDERTAKING(S) OR ANY OTHER CREDITORS TO WHOM THE ISSUER OWES A SUM EXCEEDING ₹ ONE LAKH WHICH IS OUTSTANDING MORE THAN THIRTY DAYS.

NIL

**PART 2: LITIGATIONS RELATING TO THE DIRECTORS OF THE COMPANY:**

**A. LITIGATIONS AGAINST THE DIRECTORS**

1. Litigations involving civil laws: NIL
2. Litigations involving criminal laws: NIL
3. Litigations involving statutory and economic laws: NIL
4. Tax liabilities: Nil

**B. LITIGATIONS AGAINST THE DIRECTORS: NIL**

**C. PAST PENALTIES : NIL**

**PART 3: LITIGATIONS RELATING TO PROMOTERS AND PROMOTER GROUP ENTITIES**

1. Litigations involving civil laws: NIL
2. Litigations involving criminal laws: NIL
3. Litigations involving securities and economic laws: NIL
4. Litigations involving statutory laws: NIL
5. Litigations involving labour laws: NIL
6. Past Penalties :NIL

**MATERIAL DEVELOPMENT**

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months.

## **GOVERNMENT AND OTHER APPROVALS**

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for our present businesses and no further approvals are required for carrying on the present businesses except as stated in this Prospectus.

### **APPROVALS FOR THE ISSUE**

1. The Board of Directors has, pursuant to resolution passed at its meeting held on 5<sup>th</sup> December, 2017, authorized the proposed Issue of equity shares.
2. The shareholders of our Company have, pursuant to a resolution passed at an EGM held on 11<sup>th</sup> December, 2017 authorized the proposed Issue of equity shares.

### **Approvals pertaining to incorporation, name and constitution of the Company**

Please refer to the section '*History and Certain Corporate Matters*' on page no. 67 of this Prospectus for details of the certificate of incorporation issued to the Company both during incorporation and subsequent to change of name.

### **General Approvals / Business related authorisations:**

- i. Certificate of provision registration for GST (GSTIN – 36AABCI5362D2ZS) issued by the Government of Telangana and GOI on 28<sup>th</sup> June, 2017.
- ii. Service tax registration number (AABCI5362DSD001) issued by the Central Board of Excise and Customs, Department of Revenue, Ministry of Finance (GOI) on 5<sup>th</sup> September, 2013.
- iii. Importer-Exporter Code No.0911029460 issued by the Department of Commerce, Ministry of Commerce and Industry, (GOI) on 29<sup>th</sup> March, 2012 valid until cancelled.
- iv. Permanent Account Number (AABCI5362D) issued by the Income Tax department, (GOI) on 15<sup>th</sup> April, 2005 valid until cancelled.
- v. Professional Tax registration (PTIN: 36246470621 and 36670183559) issued by the Commercial Taxes Department, Government of Telangana on 24<sup>th</sup> March, 2016, valid until cancelled.
- vi. Tax deduction Account Number (HYDI01622F) issued by the Income Tax Department.
- vii. Registration under the Telangana Shops and Establishment Act, 1988 with registration number SER/RAN/ACL/RR/34317/2017 dated 28<sup>th</sup> October, 2017.

### **Application pending approval:**

The Company has submitted an application to the Office of the Trademark. The application numbered 3649760 was submitted on 5<sup>th</sup> October, 2017 for registering LexQ as a trademark under Class 42 of the class of goods and services as classified under the Trade Marks Act, 1999. The approval is yet to be received.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorized by a resolution of the Board of Directors passed at their meeting held on 5th December, 2017 subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013.

The shareholders of the Company have authorized the Issue by a special resolution passed pursuant to Section 62(1) (c) of the Companies Act, 2013 at the EGM of our Company held on 11th December, 2017.

We do not have any necessary contractual approvals to be obtained required for this Issue. For further details, refer to the chapter titled '*Government and Other Approvals*' beginning on page no. 111 of the Prospectus.

We have received approval from "BSE" vide their letter dated 15<sup>th</sup> February, 2018 to use the name of "BSE" in the Prospectus for listing of our Equity Shares on SME Platform of "BSE". "BSE" is the Designated Stock Exchange.

### Prohibition by SEBI

Our Company, Directors, Promoter, members of the Promoters Group and Group Entities, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoter, Directors or persons in control of our Company were or are associated as Promoter, directors or persons in control of any other company has not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. None of our Directors are associated with any entities which are engaged in securities market related business and are registered with SEBI for the same other than as disclosed under the section '*Our Management*' on page no. 70 of this Prospectus.

### Prohibition by RBI or Government authority

Our Company, our Promoter or his relatives (as defined under the Companies Act) and our Promoter Group Entities have confirmed that they have not been detained as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by the min the pastor are pending against them.

Our Directors have not been declared as willful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by the min the pastor no such proceedings are pending against our Company or them.

### Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled '*Risk Factors*', '*Our Promoters*', '*Our Promoter Group Entities*' and '*Outstanding Litigations and Material Developments*' beginning on page nos. 10, 82, 85 and 109 respectively, of this Prospectus.

## ELIGIBILITY FOR THIS ISSUE

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue in an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations,

We confirm that:

- a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to '*General Information – Underwriting*' on page no. 26 of the Prospectus.

- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within fifteen (15) 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 fifteen (15) 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, we have not filed any Draft Offer Documents with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of market please refer to the section titled ‘*General Information–Details of the Market Making Arrangements for this Issue*’ on page no. 26 of the Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, 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 this Issue.

**“BSE” ELIGIBILITY NORMS:**

1. Post issue capital shall be at least ₹ 3 crores.
2. Net Tangible assets of at least ₹ 3 crores as per the latest audited financial results.
3. Net Worth (excluding revaluation reserves) of at least ₹ 3 crores as per the latest audited financial results
4. Track record of distributable profits in terms of section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extra ordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least ₹ 5Crores

Our Company satisfies all the afore-mentioned norms:

(₹ In Lakhs )

Estimated post issue capital		419.00			
Other Parameters					
S. No	Particulars	For the seven-month period ending 31st October, 2017	FY17	FY16	FY15
1	<b>Distributable Profits</b>	11.89	5.02	11.53	11.94
2	<b>Net Tangible Assets</b>	497.58	482.34	477.74	466.33
3	<b>Net Worth</b>	498.64	483.20	478.18	466.65

1. Distributable profits have been computed terms of sec.123 of Companies Act, 2013.
2. Net Tangible Assets are defined by the Institute of Chartered Accountants of India as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term

3. Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.
4. Our Company has a track record of three years. Our Company has distributable profits in terms of sec.123 of Companies Act, 2013, as detailed in the table above.
5. The company shall mandatorily facilitate trading in demat securities and enter into agreement with both the depositories. Our Company has entered into tripartite agreements with CDSL and NSDL along with our Registrar for facilitating trading in dematerialized mode. Also, the Equity Shares allotted through this Issue will be in dematerialized mode.
6. Companies shall mandatorily have a website. Our website exists in the name of [www.lexnimble.in](http://www.lexnimble.in)
7. Certificate from the applicant company/ promoting companies stating the followings:
  - a. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR)
  - b. There is no winding up petition against the company that has been accepted by a court and no liquidator has been appointed.
8. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to “BSE” for listing on SME segment

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANYWAY, 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 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 OFFER DOCUMENT. THE LEAD MANAGER, QUINTESSENCE ENTERPRISES PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS 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 PROSPECTUS, THE LEAD MANAGER, QUINTESSENCE ENTERPRISES 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 MANAGER, QUINTESSENCE ENTERPRISES PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 19<sup>TH</sup> FEBRUARY, 2018 WHICH READS AS FOLLOWS:**

**THE LEAD MANAGER TO THE ABOVE MENTIONED FORTH COMING 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 OFFER DOCUMENT 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, 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 OFFER DOCUMENTS 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 ANYOTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- c) **THE DISCLOSURES MADE IN THE OFFER DOCUMENT 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, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, 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 OFFER DOCUMENT 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.**
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 OFFER DOCUMENT.**
6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BORARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER CONSTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATON HAVE BEEN MADE IN THE OFFER DOCUMENT.**
7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOTAPPLICABLE**
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 AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEY 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 EXCHANGEES MENTIONED IN THE OFFER DOCUMENT. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. –NOTED FOR COMPLIANCE**

- 10. WE CERTIFY ALL THE SHARES SHALL BE ISSUED ON DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THERE UNDER –NOTED FOR COMPLIANCE**
- 11. WE CERTIFY THAT ALL THAT 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 OFFER DOCUMENT:**
  - 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.**
- 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 'S EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECK LIST 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 OFFER DOCUMENT WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUE HANDLED BY QUINTESSENCE ENTERPRISES PRIVATE LIMITED, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR BEARING REFERENCE CIR/MIRSD/1/2012 DATED JANUARY 10, 2012. – ENCLOSED AS ANNEXURE 3 TO THE DUE DILIGENCE CERTIFICATE.**
- 17. WE CERTIFY THAT PROFIT FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.**

**ADDITIONAL CONFIRMATIONS / CERTIFICATION TO BE GIVEN BY LEAD MANAGER 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 OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONS 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 UPTO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**

- 3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.**
- 4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALS OF THE SPECIFIED SECURITIES OF THE ISSUER.**
- 5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISION TO SUB REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, THE 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 110[106P] AND 111[106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, HAVE BEEN MADE.**

**THE FILING OF THE PROSPECTUS DOES NOT HOWEVER ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.**

**All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus in accordance with Section 26 of the Companies Act, 2013 with the Registrar of Companies, Hyderabad.**

#### **Disclaimer Statement from our Company and the Lead Manager**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in the Prospectus or in the advertisements or any other material issued by or at instance of our Company and any one placing reliance on any other source of information, including our website, would be doing so at his or her own risk.

#### **Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into between the Lead Manager and our Company dated 6<sup>th</sup> December, 2017 the Underwriting Agreement dated 7<sup>th</sup> February, 2018 entered into between the Underwriter and our Company and the Market Making Agreement dated 7<sup>th</sup> February, 2018 entered into among the Lead Manager, the Market Maker and our Company.

Our Company and the Lead Manager shall make all information available to the public investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reporter at collection centers, etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business & have engaged and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investors on whether such investor is eligible to acquire Equity Shares.**

### Price Information and the track record of the past Issues handled by the Lead Manager

Issue name	Issue size (Rs. in crs)	Issue price (Rs.)	Listing date	Opening price on listing date (Rs.)	+/- change in closing price [+/- % change in closing benchmark]-30th calendar days from listing	+/- % change inclosing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change inclosing price, [+/- % change in closing benchmark]-180th calendar days from listing
Blueblood Ventures Limited	7.03	50	8 <sup>th</sup> February, 2016	51	N.A.	N.A.	N.A.
					N.A.	N.A.	N.A.

N.A: Not available

For the last one year the share has been mostly trading at below the issue price of Rs.50 per equity share and for the last six months it has been trading at around ₹ 43 per share.

#### Disclaimer in Respect of Jurisdiction

This Issue is being made in India to Persons resident in India (including Indian nationals resident in India), who are majors, HUF's, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in section 2 (72) of the Companies Act,2013, State industrial development corporations, Alternate Investment Funds (AIFs) registered with SEBI, FPI other than category III registered with SEBI, Insurance Companies registered with Insurance and Regulatory Development Authority, Provident Funds (subject to applicable law) with minimum corpus of Rs. 2,500.00 Lakhs, National Investment Fund and pension funds with minimum corpus of Rs. 2,500.00 Lakhs, National Investment Fund and permitted nonresidents including FIIs, FPIs, eligible NRIs, multilateral and bilateral development financial institutions, foreign venture capital investors registered with SEBI and eligible foreign investors provided they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered hereby in any other jurisdiction to any Person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any Person into whose possession this Prospectus is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Hyderabad, India.

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 since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdictions except in compliance with the applicable laws of such jurisdictions. The Equity Shares have not been and will not be, registered under the Securities Act or any state securities laws in the United States and may not be offered sold or delivered within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

## **Disclaimer Clause of the SME Platform of “BSE” Limited**

“BSE” Limited (“BSE”) has given vide its letter dated 15<sup>th</sup> February, 2018, granted permission to this Company to use its name in this offer document as one of the stock exchanges on which this Company’s securities are proposed to be listed on SME platform. “BSE” has scrutinized this offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company, “BSE” does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer documents; or
- ii. warrant that his company’s securities will be listed or will continue to be listed on “BSE”; or
- iii. take any responsibility for the financial or other soundness of this Company, its Promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by “BSE”. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against “BSE” whatsoever by reason of 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 here in or for any other reason whatsoever.

It is to be distinctly understood that the permission given by BSE Limited (“BSE”) should not in any way be deemed or construed that the Prospectus has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the Prospectus. The investors are advised to refer to the Prospectus for the full text of the Disclaimer clause of the “BSE.”

## **Filing**

The Draft Prospectus shall not be filed with SEBI nor will SEBI issue any observation on the Offer Document in term of Regulation 106(M) (3) of SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Corporate Finance Department at their Regional Office situated at: 1st Floor, Indira Chambers, 8-2-622/5/A/1, Avenue 4, Road Number 10, Banjara Hills, Hyderabad, Telangana 500034. A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration with the ROC situated at 2nd Floor, Corporate Bhawan, GSI Post, Tattianaram Nagole, Bandlaguda, Hyderabad - 500 068.

## **Listing**

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In- Principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission to deal in and for an official quotation for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue.

In- principle approval for listing of the Equity Shares of our Company from “BSE” has been received vide its letter dated 15<sup>th</sup> February, 2018. “BSE” will be Designated Stock Exchange with which the basis of allotment will be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares is not granted by “BSE”, our Company will forth with repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME platform of “BSE” mentioned above are taken within 6(Six) Working Days of the Issue Closing Date.

## **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 a bets 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 indifferent names or indifferent 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 ten 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

We have obtained consents in writing of our Directors, Company Secretary and Compliance Officer, the Lead Manager, the Bankers to our Company, the Registrar to the Issue, the Market Maker and the Underwriter to the Issue to act in their respective capacities. These consents will be filed along with a copy of the Prospectus with the ROC as required under Section 26 of the Companies Act, 2013.

In accordance with the Companies Act and the SEBI Regulations, M/s SPC & Associates, Chartered Accountants have provided their written consent for including their name as the statutory auditor and they have issued their report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company, are included in the Prospectus in the form and context in which they appear in the Prospectus.

Further, such consent and report will not be withdrawn up to time of delivery of the Prospectus for registration with the ROC.

### Expert Opinion

Expect for (a) Statutory Auditors' reports on the restated financial statements; (b) Statement of Tax Benefits and (c) fund deployment certificate issued by the statutory auditors, M/s SPC & Associates, Chartered Accountants (a copy of the said report and statement of tax benefits has been included in the Prospectus) we have not obtained any other expert opinion.

### Issue Related Expenses

The total expenses of the Issue are estimated to be approximately 44 Lakhs, which is 6.92% of the Issue size. The estimated Issue related expenses includes Issue Management Fee, underwriting and management fees, SCSB's commission/fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. All expenses with respect to the Issue would be paid by our Company. The estimated issue expenses are as under:

S.No	Particulars of Expenses	Expenses (₹ in Lakhs)	Expenses as a % of total expenses	Expenses as a % of issue size
1	Management fees including fees and reimbursements of Market Making fees, Selling Commissions, Brokerages, and payment to other intermediaries such as Registrars and other out of pocket expenses	32.00	72.72	5.05
2	Printing & stationery, Distribution, Postage etc.	3.00	6.82	0.47
3	Advertisement and marketing expenses	3.00	6.82	0.47
4	Regulatory and other expenses	6.00	13.64	0.94
	<b>TOTAL</b>	<b>44.00</b>	<b>100</b>	<b>6.94</b>

### Details of Fees Payable

#### Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per Memorandum of Understanding dated 6<sup>th</sup> December, 2017 executed between our Company and the Lead Manager, the copy of which is available for inspection at our Registered Office.

#### Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the MOU signed by our Company and the Registrar to the Issue dated 14<sup>th</sup> December, 2017 a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationary, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send allotment advice by registered post/ speed post/ under certificate of posting.

#### **Fees Payable to Others**

The total fees payable to the Market makers, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters.

#### **Under writing Commission, Brokerage and Selling Commission on Previous Issues**

We have not made any previous public issues. Therefore, 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 the Company since its inception.

#### **Previous Rights and Public Issues during the Last Five Years**

We have not made any previous rights and/ or public issues during the last five years, and as an “Unlisted Issuer” In terms of the SEBI ICDR Regulations and this Issue in an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

#### **Previous Issues of Shares otherwise than for Cash**

Our Company has not issued any Equity Shares for consideration otherwise then for cash other than the bonus issue. For details please refer to page no. 29 of the section ‘*Capital Structure*’ of this Prospectus.

#### **Commission and Brokerage on Previous Issues**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to us procuring or agreeing to procure subscription for any of our Equity Share since our inception.

#### **Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956/Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

#### **Performance vis-à-vis objects**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue in an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

None of the Promoter Group Entities has made public issue of equity shares during the period often years immediately preceding the date of filing offer document with the “BSE”.

#### **Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company**

As on the date of the Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **Option to Subscribe**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

#### **Stock Market Data for our Equity Shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

### **Mechanism for Redressal of Investor Grievances**

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to this Issue for Redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank or collection center where the applications was submitted.

All grievances relating to the ASBA process may also be addressed to the SCSB, giving full details such as name, address of the applicant, number, number of Equity Shares applied for, amount paid on application and the Designated Branches or the collection center of the SCSB where the Application Form was submitted.

### **Disposal of Investor Grievances by the Company**

Our Company or the Registrar to the Issue of the SCSB in case of ASBA Applicants shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to the Issue for the Redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted the Shareholders /Investors Grievance Committee of the Board. For further details, please refer to the chapter titled '*Our Management*' beginning on page no. 70 of the Prospectus.

Our Company has appointed Ms. Kavitha Somavarapu as the Company Secretary and Compliance Officer and she may be contacted at the following address:

Lex Nimble Solutions Limited  
Q3, Module A1, 10th Floor, Cyber Towers,  
HITEC City, Madhapur, Hyderabad  
Tel No: +91-40-23122330  
Email id: kavitha@lexnimble.in  
website: www.lexnimble.in

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account, etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "**SCORES**". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

### **Changes in Auditors during the last three financial years**

There was no change in Auditors during the last three financial years.

### **Capitalization of Reserves or Profits**

Save and except a bonus issue as detailed in the chapter titled '*Capital Structure*' beginning on page no. 29 of the Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

### **Revaluation of assets**

Our Company has not revalued 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 the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of 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 Exchanges, 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. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available*

#### **Authority for the Issue**

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on 5<sup>th</sup> December, 2017 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extraordinary General Meeting held on 11<sup>th</sup> December, 2017 in accordance with the provisions of Section 32 of the Companies Act, 2013.

#### **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 to the section titled '*Main Provisions of Articles of Association*' beginning on page no. 163 of the Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay 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/- each and the Issue Price is ₹ 57/- per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled '*Basis for Issue Price*' beginning on page no. 44 of the 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 including 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:

- i. Right to receive dividend, if declared;
- ii. Right to attend general meetings and exercise voting rights, unless prohibited by law;
- iii. Right to vote on a poll either in person or by proxy;
- iv. Right to receive offer for rights shares and be allotted bonus shares, if announced;
- v. Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- vi. Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- vii. 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 to the section titled '*Main Provisions of Articles of Association*' beginning on page no.163 of the Prospectus.

### **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 dematerialised form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors.

In this Issue, the trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 2,000 Equity Share subject to a minimum allotment of 2,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 2,000 Equity Share subject to a minimum allotment of 2,000 Equity Shares to the successful applicants.

### **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 6 working days of closure of issue.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Hyderabad.

### **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 holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 (1) and 72 (2) of the Companies Act, 2013 the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72(3) 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 manner prescribed in Section 72(4) of the Companies Act, 2013, 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 Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 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.

#### **Withdrawal of the Issue**

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case 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.

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 terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

#### **Minimum Subscription**

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P (1) of the ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.

This issue is not restricted to any minimum subscription level. This issue is 100% underwritten. However, we shall ensure that the minimum subscription to be received shall be subject to allotment of minimum number of specified securities as prescribed in sub-clause (b) of clause (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957 and also that the minimum number of allottees as prescribed in regulation 106R of the SEBI (ICDR) Regulations, 2009, as amended.

#### **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 SME Platform of BSE.

#### **Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled '*Main Provisions of the Articles of Association of our Company*' beginning on page no. 163 of this Prospectus.

#### **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.

#### **As per the existing policy of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter 'Capital Structure' beginning on page no. 29 of the Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled 'Main Provisions of the Articles of Association' beginning on page no. 163 of the Prospectus.

### **Option to receive Equity Shares in Dematerialized Form**

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form. As per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

### **Migration to Main Board**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- 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-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

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.

### **Market Making**

The shares offered through this issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform for a minimum period of three years from the date of listing of shares offered through the Prospectus.

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please see 'General Information – Details of the Market Making Arrangements for this Issue' beginning on page no. 26 of the Prospectus.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

### **Issue Programme:**

<b>ISSUE OPENS ON</b>	12 <sup>th</sup> March, 2018
<b>ISSUE CLOSES ON</b>	16 <sup>th</sup> March, 2018

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 Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, 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 the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment.

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

## 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, may also issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled 'Terms of the Issue' and 'Issue Procedure' on page nos. 123 and 130 of the Prospectus.

Following is the Issue Structure:

Public issue of 11,12,000 Equity Shares of ₹ 10/- each (the "Equity Shares") for cash at a price of ₹ 57/- per Equity Share (including a Share premium of ₹ 47/- per Equity Share) aggregating to ₹ 633.84 lakhs ("the Issue"). The issue comprises of a Net Issue to Public of 10,56,000 Equity Shares of ₹ 10/- each ("the Net issue") and a reservation of 56,000 Equity Shares for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars of the Issue	Net Issue to the Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	10,56,000	56,000
Percentage of Issue Size available for allocation	94.96%	5.04%
Basis of Allotment	Proportionate subject to minimum allotment of 2,000 Equity Shares and further allotment in multiples of 2,000 Equity Shares each.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA
Minimum Application Size	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000. <b>For Retail Individuals:</b> 2,000 Equity Shares	56,000
Maximum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Size does not exceed 10,56,000 Equity Shares. <b>For Retail Individuals:</b> Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.	56,000
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	2,000 Equity Shares	2,000 Equity Shares. However, the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

\*

- 1) *50 % of the shares offered are reserved for allocation to applications below or equal to ₹ 2 Lakhs and the balance for higher amount applications.*
- 2) *In case of joint Applications, 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*
- 3) *Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
- 4) *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

## 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**”) 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 include reference to 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 Exchanges 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. Applicants are advised to make their independent investigations and ensure that their Applications 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 Draft Prospectus and the Prospectus.

Please note that all the Applicants can participate in the Issue only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by BSE Ltd to act as intermediaries for submitting Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Application Forms, please see the above-mentioned BSE website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

## PART A

### Fixed Price Issue Procedure

The Issue is being made in compliance with the provisions of Reg. 106(M)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non-Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**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. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. 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 Exchanges.**

## 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 Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA 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.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centers only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed color of the Application Form for various categories is as follows:

Category	Color*
Indian Public / NRI's applying on a non-repatriation basis	White
Non-Residents including eligible NRI's, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

*\*excluding electronic application form.*

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015, an investor intending to subscribe to this Issue shall submit a completed application form to any of the following intermediaries (collectively called as "Designated Intermediaries").

- i. SCSB with whom the bank account is maintained which is to be blocked.
- ii. Syndicate Member (including sub syndicate member)
- iii. A stock broker registered with a recognised stock exchange and whose name is mentioned on the website of the exchange as eligible for this activity.
- iv. A depository participant (DP) and whose name is mentioned on the website of the exchange as eligible for the activity.
- v. A Registrar to the Issue and Share Transfer Agent (RTA) whose name is mentioned on the website of the exchange as eligible for the activity.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, as a proof of having accepted the application form in physical or electronic mode respectively.

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank.

### Who can apply?

1. Indian nationals resident in India who are not minors in single or joint names (not more than three);
2. 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;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. 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;
6. Foreign Nationals and other non – residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions);
7. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations, as applicable);
8. FIIs and sub accounts registered with SEBI, other than the one which is a foreign corporate or foreign individual under the QIB portion;
9. Sub accounts of FIIs registered with SEBI which, are foreign corporates or foreign individuals only under the Non – Institutional Applications portion;

10. Venture Capital Funds registered with SEBI;
11. Eligible QFIs;
12. State Industrial Development Corporations;
13. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in equity shares;
14. Scientific and/or industrial research organizations authorized to invest in equity shares;
15. Insurance Companies registered with Insurance Regulatory and Development Authority;
16. Insurance Funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
17. Provident Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
18. Pension Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
19. Foreign Venture Capital Investors registered with SEBI;
20. Multilateral and bilateral development financial institutions;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated 23<sup>rd</sup> November, 2005 of the GOI published in the Gazette of India;
22. Limited Liability Partnerships;
23. Nominated Investor and Market Maker;
24. 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 policy of the Government of India, OCBs cannot participate in this Issue. 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.*

**Applications not to be made by:**

- a. Minors (except through Legal Guardians)
- b. Partnership firms or their nominations
- c. Overseas Corporate Bodies

**MAXIMUM AND MINIMUM APPLICATION SIZE**

***(a) For Retail Individual Applicants***

The Application must be for 2,000 Equity Shares so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

***(b) For Other Applicants (Non- Institutional Applicants and QIBs):***

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 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, Non-Institutional Applicants and QIB Applicants cannot withdraw or

lower the size of their application after the Issue Closing Date and is required to pay the entire application amount upon submission of Application. The identity of the QIB applying in the Net Issue shall not be made public during the Issue Period.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

*Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.*

### **Participation by Associates of LM**

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 LM may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

### **Availability of Prospectus and Application Forms**

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com).

### **Option to Subscribe in the Issue**

- a. Investors will get the allotment of specified securities in dematerialization 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.

### **Application by Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non-Residents (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

**No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.**

**In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.**

### **Applications by Eligible NRIs/FII's on Repatriation Basis**

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. Eligible NRI Applicants applying 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 applying 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.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

### **Application by FPIs and FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

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) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% 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. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

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 and unregulated broad based funds, which are classified as Category II foreign portfolio investor 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 an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate 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.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in color).

### **Applications by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

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 corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus 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 1/3rd of its corpus 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 VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

*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.*

*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 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.*

#### **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 thereof.

#### **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) 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
- 3) 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 (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 IRDAI 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 ₹ 250.00 million, 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 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 reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30% of the paid-up share capital of the investee company or 30% of the bank's own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval).

## **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 such applications.

## **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of ₹ 25 crores (subject to applicable law) and pension funds with minimum corpus of ₹ 25 crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

*The Company in its absolute discretion, reserve 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 the Company and the LM may deem fit.*

## **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) Our Company shall, after registering the Prospectus with the ROC, make a pre- issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

- d) Applicants who are interested in subscribing for the Equity Shares shall 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.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

### **GENERAL INSTRUCTIONS**

#### ***Do's:***

- 1) Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) 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 Applications, 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;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) 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 SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- 10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 11) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all 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;
- 12) Ensure that the Demographic Details are updated, true and correct in all respects;

- 13) 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;
- 14) Ensure that the category and the investor status is indicated;
- 15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 17) 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 Exchanges 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;
- 18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 20) 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 at the time of submission of the Application;
- 21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 22) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- 4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);
- 9) 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;
- 10) Do not submit the General Index Register number instead of the PAN;
- 11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 12) 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;
- 13) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

- 14) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 15) 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.

#### **Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs 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.

#### **TERMS OF PAYMENT / PAYMENT INSTRUCTIONS**

The entire issue price of ₹ 57 per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Not Retails Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instruction to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the application, as the case may be.

#### **Electronic Registration of Applications**

- 1) The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Issue Closing Date.
- 3) The Application Collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- 4) Neither the Lead Manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
- 5) The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorised agents during the Issue Period. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:

• Name of the Applicant; • IPO Name; • Application Form Number; • Investor Category; • PAN Number • DP ID & Client ID • Numbers of Equity Shares Applied for; • Amount; • Location of the Banker to the Issue or Designated Branch, as applicable; • Bank Account Number and • Such other information as may be required.

- 7) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mentioned the bank account number, except the Electronic Application Form number which shall be system generated.
- 8) The aforesaid 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 or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
- 9) Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
- 10) The Application Collecting Intermediaries shall have no right to reject the applications, except on technical grounds.
- 11) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way deemed or construed to mean 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 or 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; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
- 12) The Application Collecting Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN No., DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with the 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.
- 13) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

#### **Allocation of Equity Shares**

- 1) The Issue is being made through the Fixed Price Process wherein 56,000 Equity Shares shall be reserved for the Market Maker. 5,28,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non-Retail Applicants.
- 2) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non- Retail Applicants shall not be allowed to either withdraw or lower the size of their application at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

#### **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 Closing 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 SME Platform of BSE 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.

### **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 and one widely circulated Telugu language national daily newspaper with wide circulation.

### **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 ten 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 7<sup>th</sup> February, 2018 this issue is 100% Underwritten.

### **Filing of the Prospectus with the ROC**

The Company will file a copy of the Prospectus with the ROC in terms of Section 26 of the Companies Act, 2013.

## **UNDERTAKINGS BY OUR COMPANY**

The Company undertakes the following:

- 1) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then 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 exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the ROC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- 5) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 6) Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;
- 7) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 8) No further Issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Bid monies are refunded /unblocked in ASBA Account on account of non-listing, under-subscription etc;
- 9) Adequate arrangements shall be made to collect all Application Forms

## **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;
- 2) details of all monies utilised out of the issue referred to in sub item (1) shall be disclosed and continue to be disclosed till 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
- 3) details of all unutilised monies out of the issue of specified securities referred to in sub-item (1) shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested; and
- 4) Our Company shall comply with the requirements of SEBI (LODR) Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## **WITHDRAWAL OF THE ISSUE**

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 terms of the SEBI Regulations, other than retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## **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 7<sup>th</sup> December, 2017 between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated 29<sup>th</sup> November, 2017 between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE860Y01019.

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 Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.,

## PART B GID

### 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), 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 the Prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, 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 filed by the Issuer 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 exchanges, on the website(s) of the LM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/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. 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 is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (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 (1) 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) of 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 Issuer shall have Net Tangible assets of at least Rs. 3 Crore as per the latest audited financial results.
- f. The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 3 Crore as per the latest audited financial results.
- g. The Issuer should have a track record of distributable profits in terms of section 123 of Companies Act, 2013 for two out of immediately preceding three financial years or it should have net worth of at least Rs. 5 Crores.
- h. The Post-issue paid up capital of the Issuer shall be at least Rs. 3 Crore.\
- i. The Issuer shall mandatorily facilitate trading in demat securities.
- j. The Issuer should not have been referred to Board for Industrial and Financial Reconstruction.
- k. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- l. No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- m. The Company should have a website.
- n. There has been no change in the promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME segment.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B 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 should not exceed ten Crores. Company also complies with the eligibility conditions laid by the SME Platform of BSE 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 Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/ 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:

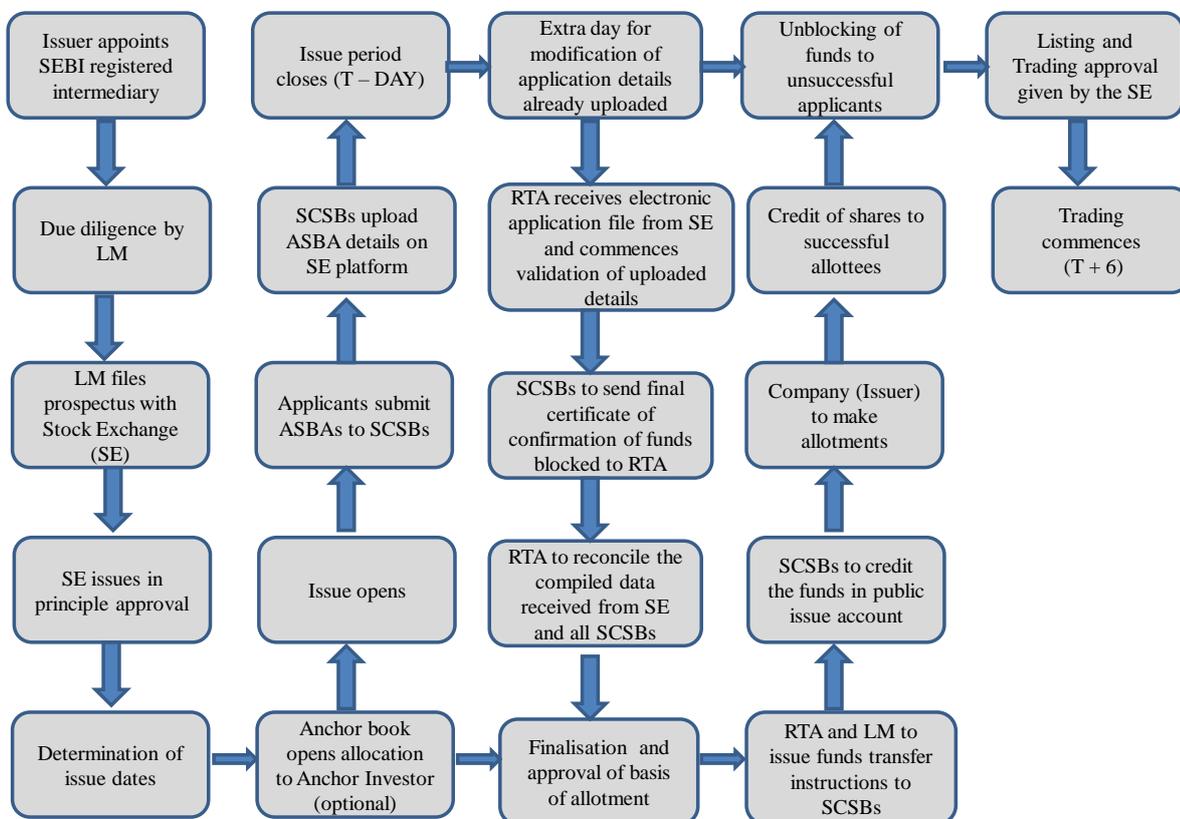
(a) If the Paid-up Capital of the Company is likely to increase above Rs. 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other 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-principal 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 Rs. 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 Issues is as follows:



Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FIIs/FPIs, QFIs 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.

### SECTION 3 Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals, resident in India, who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);

- Applications belonging to an account for the benefit of a minor (under guardianship);
- 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/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 may be considered at par with Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law ;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, applying under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### Section 4: Applying in the Issue:

Fixed Price Issue: Applicants should only use the specified Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchange. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered 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
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

\* *Excluding Electronic Form.*

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 filling the application form (fixed price issue)

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:

### Application Form – For Non – Residents

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Address : ..... Contact Details: ..... CIN No. ....	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCI, ETC APPLYING ON A REPATRIATION BASIS</b>	
LOGO	TO, <b>THE BOARD OF DIRECTORS</b> <b>XYZ LIMITED</b>	<b>BOOK BUILT ISSUE</b> ISIN : .....	
		Bid cum Application Form No. _____	
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.	
<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>			
Mr./Ms. _____			
Address: _____			
Tel. No (with STD code) / Mobile _____			
<b>2. PAN OF SOLE / FIRST BIDDER</b>			
_____			
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL			<b>6. INVESTOR STATUS</b>
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID			<input type="checkbox"/> NRI (Non-Resident Indians) (Repatriation basis)
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID			<input type="checkbox"/> FI or Sub-account not a Corporate/Foreign Individual
<b>4. BID OPTIONS (ONLY RETAIL/INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>			<b>5. CATEGORY</b>
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 0.01 only) (In Figures)	
		Bid Price	Retail Discount    Net Price    "Cut-off" (Please tick)
Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(OR) Option 2			<input type="checkbox"/> Non-Institutional Bidder
(OR) Option 3			<input type="checkbox"/> QIB
<b>7. PAYMENT DETAILS</b>			<b>8. INVESTOR STATUS</b>
Amount paid (₹ in figures) _____ (₹ in words) _____			<input type="checkbox"/> FI Sub-account Corporate/Individual
ASBA Bank A/c No. _____			<input type="checkbox"/> FVCI Foreign Venture Capital Investor
Bank Name & Branch _____			<input type="checkbox"/> FPI Foreign Portfolio Investors
			<input type="checkbox"/> OTH Others (Please Specify) _____
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 CUM APPLICATION FORM AND THE ATTACHED AGREED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUE ("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 FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.			
<b>9A. SIGNATURE OF SOLE / FIRST BIDDER</b>		<b>9B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	
Date : _____		I/We authorize the SCSB to do all acts as are necessary to make the Application in the time	
		1) _____	
		2) _____	
		3) _____	
		BROKER / SCSB / DP / RTA STAMP (Acknowledge lodging original of Bid in Stock Exchange system)	
TEAR HERE			
LOGO	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. _____
DPID / CLID	_____	PAN of Sole / First Bidder	_____
Amount paid (₹ in figures)	_____	Bank & Branch	_____
ASBA Bank A/c No.	_____	Stamp & Signature of SCSB Branch	_____
Received from Mr./Ms.	_____		
Telephone / Mobile	_____	Email	_____
TEAR HERE			
<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	Option 1	Option 2	Option 3
	No. of Equity Shares	_____	_____
	Bid Price	_____	_____
	Amount Paid (₹)	_____	_____
	ASBA Bank A/c No.	_____	_____
Bank & Branch	_____	_____	_____
Stamp & Signature of Broker / SCSB / DP / RTA			Name of Sole / First Bidder
			_____
			<b>Acknowledgement Slip for Bidder</b>
			Bid cum Application Form No. _____

#### 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 ASBA 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 favor 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 mentions Price in the draft Prospectus and in prospectus registered with ROC.
- 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 Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make application only for the 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 Rs. 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 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 Rs. 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 Collection Bank(s) or SCSB 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

- a. 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).
- b. 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.
- c. 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. QIBs and NIIs shall participate in the said Issue only through ASBA mechanism. 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

- a. 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 in physical mode to any Designated Intermediary.
- b. 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.
- c. 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;
- d. Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e. From one ASBA Account, a maximum of five Application Forms can be submitted.
- f. 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.
- g. 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.

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.
- h. 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.
- i. 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.
- j. 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.
- k. 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.
- l. 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 ASBA Applicant to the Public Issue Account and may unblock the excess amount, if any, in the 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 6 Working Days of the Issue Closing Date.

#### 4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### 4.1.7.4 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. In relation to the Applications, 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 acknowledgment duly signed and stamped, 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, refund orders, 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.

Applicant may contact the Company Secretary and Compliance Officer or LM(s) 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 herein:

<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>											
Address : .....		Contact Detail: .....		CIN No .....											
TO, THE BOARD OF DIRECTORS XYZ LIMITED		BOOK BUILT ISSUE		Bid cum Application Form No. [ ]											
ISIN : .....															
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER											
				Mr. / Ms. [ ]											
				Address [ ]											
				Email [ ]											
				Tel. No (with STD code) / Mobile [ ]											
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE		2. PAN OF SOLE / FIRST BIDDER [ ]											
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS [ ] NSDL [ ] CDSL [ ]											
				For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID											
<b>PLEASE CHANGE MY BID</b>															
<b>4. FROM (AS PER LAST BID OR REVISION)</b>															
Bid Options	No. of Equity Shares: Bid (Bid: 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	3	2	1	3	2	1	"Cut-off" (Please tick)
Option 1 (OR) Option 2 (OR) Option 3															<input type="checkbox"/>
<b>5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")</b>															
Bid Options	No. of Equity Shares: Bid (Bid: 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	3	2	1	3	2	1	"Cut-off" (Please tick)
Option 1 (OR) Option 2 (OR) Option 3															<input type="checkbox"/>
<b>6. PAYMENT DETAILS</b>															
Additional Amount Paid (₹ in figures)			PAYMENT OPTION : FULL PAYMENT [ ] PART PAYMENT [ ]												
(₹ 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 ABRIDGED PROSPECTUS 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.															
<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b>		<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>		<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>											
Date : [ ]		I/We authorize the SCSB to do all acts as are necessary to make the Application in the name [ ]		[ ]											
		1) [ ]													
		2) [ ]													
		3) [ ]													
TEAR HERE															
LOGO		XYZ LIMITED		Acknowledgement Slip for Broker/SCSB/DP/RTA											
BID REVISION FORM - INITIAL PUBLIC ISSUE - R				Bid cum Application Form No. [ ]											
DPID / CLID [ ]		PAN of Sole / First Bidder [ ]													
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of SCSB Branch											
ASBA Bank A/c No. [ ]				[ ]											
Received from Mr./Ms. [ ]		Telephone / Mobile [ ]		Email [ ]											
TEAR HERE															
XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R		Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder [ ]											
No. of Equity Shares [ ]															
Bid Price [ ]															
Additional Amount Paid (₹) [ ]															
ASBA Bank A/c No. [ ]															
Bank & Branch [ ]															
				Acknowledgement Slip for Bidder											
				Bid cum Application Form No. [ ]											
TEAR HERE															

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'

- 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.
- In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should exceed Rs. 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 Field 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 Application Form/ Revision Form/Application Form

4.3.1 Applicants may submit completed application form / Revision Form to the designated intermediaries.

### **Section 5: Issue Procedure in Fixed Price Issue**

#### **5.1 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 designated intermediaries.

ASBA 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 ("ASBA Account"). 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.

#### **5.2 Grounds of Rejections**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 2,000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash/cheque;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application
- Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date, unless the extended time is permitted by BSE;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/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 Exchanges;
- 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;
- Details of ASBA account not provided in the Application Form;
- From one ASBA account, more than five applications are made by applicant.

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.

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 BSE (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 (2) 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 Issue specified under the Capital Structure mentioned in this 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 Issue 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 Issue 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 Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to 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 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.

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 five 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 of the Issue Closing Date.

## **Section 8: Interest and Unblocking /Refund**

### **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 all the Stock Exchanges 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 DPs, and dispatch the Allotment Advice within six working Days of the Issue Closing Date.

### **8.2 Grounds for Unblocking/Refund**

#### **8.2.1 Non-receipt of Listing permission**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. The Stock Exchange from where such permission is sought are disclosed in this Prospectus. The Designated Stock Exchange may be as 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(s), the Issuer may forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus.

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 “stated 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, 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 prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

### 8.2.3 Minimum number of allottees

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked.

### 8.3 Mode of unblocking of funds

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.

### 8.4 Interest in case of delay in allotment or refund

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to 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 if Allotment is not made in accordance with timelines prescribed under applicable law.

## Section 9: Glossary and Abbreviations

<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 Exchanges
Applicant	Any prospective investor who makes a Application pursuant to the terms of the Prospectus and the Application Form.
Application	An indication to make an offer during the Issue Period by a prospective investor 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 Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues
Application Supported by Blocked Amount / ASBA) /ASBA	An application, whether physical or electronic, used by Applicants to make an Application authorising the SCSB to block the Application Amount in the specified bank account maintained with such SCSBs 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 which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
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
Business day	Monday to Saturday (except 2nd and 4th Saturday of a month and 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	The Companies Act, 1956 and the Companies Act, 2013 to the extent notified
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 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 the draft Prospectus/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009
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
Eligible NRIs	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Application Forms and the Prospectus will constitute an invitation to purchase the equity shares.
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and fulltime employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Applicant may refer to the draft Prospectus/Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/ Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPI(s)	Foreign portfolio investors, as defined under the FPI Regulations, including FIIs and QFIs, which are deemed to be foreign portfolio investors
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
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 Closing Date	The date after which the Designated Intermediary may not accept any Applications 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 Designated Intermediary may start accepting Applications 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, 2009. Applicants may refer to the Prospectus for the Issue Period
Issue Price	The Price at which Equity Shares will be issued and allotted by our Company being Rs. 57/- per Equity Share.
Lead Manager(s) / Lead Manager / LM	The Lead Manager to the Issue as disclosed in the Draft Prospectus/Prospectus and the Application Form of the Issuer.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Lot size. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Lot size.
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 the 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 FIIs 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 Rs. 200,000 (but not including NRIs other than Eligible NRIs), FPIs which are category III FPIs.
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 the Draft Prospectus/Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs/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 filed with the ROC in accordance with Section 26 of the Companies Act 2013, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
Qualified Financial Investors or QFIs	<p>Non-Resident investors, other than SEBI registered FIIs/FPIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.</p> <p>Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combatting the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies</p>

QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure
Registered Broker	Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Issue / RTI	Stock Brokers registered with the Stock Exchanges having nationwide terminals
Reserved Category / Categories	The Registrar to the Issue as disclosed in the Draft Prospectus/Prospectus and Application Form
Reservation Portion	Categories of persons eligible for making application under reservation portion
Retail Individual Investors / RIIs	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Shareholders	Investors who applies or Applications for a value of not more than Rs. 200,000.
Retail Category	Shareholders of a listed Issuer who applies for a value of not more than Rs. 200,000
Revision Form	The form used by the Applicants in an issue to modify the quantity of Equity Shares indicates therein in any of their 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, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self-Certified Syndicate Bank(s) or SCSB(s)	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
Stock Exchanges/ SE	The stock exchanges as disclosed in the Draft Prospectus/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement between the Issuer and the Underwriters
Working Day	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.

## **RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued the Consolidated FDI Policy by way of circular no. D/o IPP F. No. 5(1)/2016-FC-1 dated June 7, 2016 (“FDI Policy”), which with effect from June 7, 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 6, 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the 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 in the United States.

Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the 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 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.

## SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

### SHARE CAPITAL AND VARIATION OF RIGHTS

1.
  - a) The Authorised Share Capital of the Company is Rs.5,70,00,000/- (Rupees Five Crore Seventy Lakh only) divided in to 57,00,000 (Fifty Seven Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each, with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law.
  - b) The rights of the holders of any class of shares forming part of capital for the time being of the Company may be modified, affected, varied, extended, surrendered or abrogated in such manner as is or may be provided by the Articles of Association of the Company as originally registered or as altered from time to time.
  - c) The business of the Company may be commenced soon after the incorporation of the Company as and when the Directors shall think fit notwithstanding that part of the shares have been allotted.
  - d) The shares shall be under the discretionary control of the Directors who may allot or otherwise dispose of the same.
  - e) The Company in general meeting may decide to issue fully paid up bonus share to the member if so recommended by the Board of Directors.
  - f) The certificate to share registered in the name of two or more person shall be delivered to first named person in the register and this shall be a sufficient delivery to all such holders.
  - g) The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act or a class of shares already issued subject to such conditions as may be specified in governing sections and rules framed thereunder.
  - h) The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.
  - i) Subject to compliance with applicable provisions of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.
  - j) The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.
  - k) Subject to compliance with applicable provisions of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder
2.
  - i. 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.
  - ii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid -up thereon.

iii. 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.

3.

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 twenty rupees for each certificate.

ii. The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.

4.

Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5.

i. The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

ii. (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6.

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 at least two persons holding at least one third of the issued shares of the class in question.

7.

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.

8.

Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **PREFERENCE SHARES**

9.

The Company shall, subject to provisions of the Companies Act has power to issue preference shares redeemable at the option of the Company or to issue share with disproportionate voting rights.

#### **ALTERATION TO MEMORANDUM**

10.

The Company shall have the power to alter the conditions of the Memorandum in any manner.

### **CONTROL OF SHARES**

11. The shares of the Company shall be under the control and discretion of the Board of Directors who may divide the shares into several classes and subject to the provisions herein contained may allot, transfer or persons and for such consideration upon such terms and conditions, at such time as the directors may in their absolute discretion think fit and such shares may be issued at par, at a premium or at a discount. The Directors may allot and issue shares in the capital of the company in payment or part payment for any property sold and transferred or for services rendered to the company or the conduct of its business or for any other consideration and any shares so allotted may be issued as fully paid up and/or partly paid up shares. The company shall have the power to issue shares having disproportionate voting rights.

### **SHARES HELD JOINTLY**

12. If the shares are held in the name of two or more jointly, then the person first named in the Register of Members shall for all the purpose except voting and transfer, be deemed to be sole holder thereof. But the joint holders are severally and jointly liable for all purpose.

### **INCREASE OF CAPITAL**

13. The Company in General Meeting may, from time to time increase the Capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of section 62 and other applicable provisions of the Act, any shares of the original or increased Capital shall be issued upon such terms and conditions and with such right and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Directors shall determine and in particular, such capital may be issued with a preferential or qualified right to divide and in the distribution of Assets of the Company.

### **LIEN**

14. The Company shall have a first and paramount lien upon all the shares (not being a fully paid up share) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually alien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to section 124 and bonuses declared from time to time in respect of such shares under the Act. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.

### **CALLS ON SHARES AND TRANSFER OF SHARES**

15. The Directors are empowered to make call on members of any amount payable at a time fixed by them.
16. Any member desiring to sell any of his shares must notify the Board of Directors of the number of shares, the fair value and the name of the proposed transferee and the Board must offer to the other share holders the shares offered at the fair value and if the offer is accepted, the shares shall be transferred to the acceptor and if the shares or any of them, are not so accepted within one month from the date of notice to the Board the members proposing transfers shall, at any time within three months afterwards, be at liberty, subject to Articles 19 and 20 hereof, to sell and transfer the shares to any persons at the same or at higher price.
17. In case the directors consider that the continuance of any person as a member of the company is detrimental to the interest of the company they may in their discretion if authorized by a special resolution passed by the company at the General Meeting call upon the said person or persons to transfer his or her or their representative share or shares in accordance with the provisions of these articles and from the date the transfer of shares becomes effective under the aforesaid resolution, the said persons shall ipso facto cease to be a member or members of the company and become disentitled to any of the rights, privileges and benefits as such member of the company. No transfer of shares shall be made or registered without the previous sanction of the Directors, except when the transfer is made by any member of the Company to another member or to a member's wife or child or children or his heirs and the Directors may decline to give such sanction without assigning any reason subject to Section 58 and 59 of the Act.
18. The Directors may refuse to register any transfer of shares (1) where the Company has a lien on the shares or (2) where the shares are not fully paid up shares, subject to Section 58 and 59 of the Companies Act, 2013.

19. Subject to Section 58 and 59 of the Act, the Directors may in their discretion, without assigning any reason, refuse to register the transfer of any shares to any person, whom it shall, in their opinion, be undesirable in the interest of the Company to admit to membership.
20. At the death of any members his or her shares are recognised as the property of his or her heirs upon production of reasonable evidence as may required by the Board of Directors.
21. The instrument of transfer must be accompanied by the certificates of shares.

### **TRANSMISSION OF SHARES**

22.
  - 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.
23.
  - 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.
24.
  - 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.
25. 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 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.

### **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.
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.

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. 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.  
ii. 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.

31. i. A duly verified declaration in writing that the declared 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.  
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 non-payment 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.

#### ALTERATION OF CAPITAL

33. 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 there solution.

34. Subject to the provisions of section 61, the company may, by ordinary resolution,—  
i. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;  
ii. Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;  
iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;  
iv. 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.

35. Where shares are converted into stock,—  
i. 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.

- ii. 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.
  - iii. 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.
36. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- i. Its share capital;
  - ii. Any capital redemption reserve account; or
  - iii. Any share premium account.

### CAPITALISATION OF PROFITS

- 37.
- 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, subject to the provision contained in clause (iii), 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 afore said;
    - c) Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
    - d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
    - e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- 38.
- 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 there to, into an agreement with the company providing for the allotment to them respectively, credited a 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.

### **BUY-BACK OF SHARES**

39. 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.

### **ISSUE OF SHARES IN KIND**

40. The Company subject to the provisions of the Companies Act, 2013 and the statutory modifications and applicable provisions, if any, is authorised to issue the Shares in kind to the Shareholders.

### **GENERAL MEETINGS**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
- 42.
- i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
  - ii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **PROCEEDINGS AT GENERAL MEETINGS**

- 43.
- 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 and accordingly, **five** members personally present shall form a quorum based on the number of members as per the register of members at the time of first adoption of this AOA under the Companies Act, 2013.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. 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.
46. 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.
- 47.
- 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.
    - a) 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.
    - b) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **VOTING RIGHTS AND PROXY**

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- i. on a show of hands, every member present in person shall have one vote; and
  - ii. 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.

49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 50.
- 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.
51. 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.
52. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
53. 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.
- 54.
- 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.
55. 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.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
57. 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.

### **DIRECTORS**

58. The number of directors shall not be less than three and more than fifteen unless and until otherwise determined by the company at a General Meeting.
59. The first Directors of the Company shall be:-
1. Mr. Samuel Alemu
  2. Mr. Medikundam Praveen Chakravarthy
- The Present Directors of the Company as on the date of alteration of articles are:
1. Mr. Samuel Alemu
  2. Mr. Medikundam Praveen Chakravarthy
  3. Mrs. Sarada Devi Medikundam
60. The Directors may from time to time, appoint one or more of their body to the office of the Managing Director for one or more of the divisions of the business carried on by the Company and to enter into agreement with him in such terms and conditions as they may deem fit.
61. Subject to the provisions of section 149, the Board of Directors, at any time and from time to time, to appoint any person as additional Director in addition to the existing Director so that the total number of Directors shall not at

any time exceed the number fixed for Directors in these articles, Any Directors so appointed shall hold office only until the next following Annual General Meeting but shall be eligible thereof for election as Director.

62. Subject to the provisions of section 149(13) read with section 152(6), one third of the directors (other than independent directors) shall retire by rotation at every annual general meeting.
63. Notwithstanding anything to the Contrary contained in these Articles, so long as the Company has availed any grant, loan, funding or any kind of monetary assistance of any nature, what so ever from the Appropriate Governmental Authority or any Bank(s), Financial Institutions or any other Company and till such time financial assistance is fully repaid to the Lender, such Lender shall be entitled to nominate from time to time any person as a Director on the Board of Directors of the Company and to remove such person so nominated and to nominate any other person in his place, and while holding such office, such nominees shall not be liable to retire by rotation.
64. The Board of Directors may appoint an alternate director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than three months from India. An Alternative Director so appointed shall vacate office if and when the original director returns to India. If the term of office of the original Director is determined before he so returns to India aforesaid, any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the alternate Director.
- 65.
- i. The Non-Executive, Independent Directors, Managing Director and/or Whole Time Directors may be paid such remuneration as may, from time to time, be determined by the Board and such remuneration may be fixed by way of monthly payment of salary or commission or participation in annual profits be deemed to accrue day-to-day subject to the provisions of the Companies Act, 2013.
  - ii. In addition to the above remuneration, the non-executive, Independent directors may be paid sitting fees as may be decided by the Board subject to the limits prescribed under the Act/ rules framed time to time under the Companies Act, 2013 and, may be reimbursed all travelling, hotel and other expenses properly incurred by them
    - a) In attending and returning from meetings of the Board of Directors or any committee thereof or general meeting of the company; or
    - b) In connection with the business of the company.
66. The quorum necessary for the transaction, of the business of the Board meeting subject to Section 174 of the Act, shall be one third of the total strength or at least two whichever is higher. The participation of the directors by video conferencing or by other audio visual means shall also be count for the purpose of quorum provided unedited video conference films or audio-visual media is kept on record along with Board Minutes with the Company Secretary.
67. Subject to section 175 of the Act, a resolution in writing signed by the majority of the Directors, who are entitled to vote on the resolution, except a resolution which the Act specifically required it to be passed at a Board meeting, shall be effective for all purposes as a resolution passed at a meeting of Directors duly called, held and constituted.
68. If any Director, possessing qualification for the practice of the profession in the opinion of the Board of Directors, shall undertake to render **professional services** to the company, the Board of Directors may sanction fees for such professional services rendered by such director, as the Board may think proper provided that the confirmation of the members in the General Meeting shall be taken thereof.
69. All *cheques*, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments payable/paid by the company, and all receipts for monies paid/payable to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person or persons and in such manner as the Board shall from time to time by resolution determine.

#### **PROCEEDINGS OF THE BOARD**

- 70.
- 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.

- 71.**
- 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.
- 72.** 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.
- 73.**
- 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 number to be Chairperson of the meeting.
- 74.**
- i. Subject to the provisions of Act, the Board of directors may delegate any of their powers to any committee consisting of such member or members of their body as they think it and/or the Managing Director/ Whole-time Directors, or any other officer or authorized representative of the company. A committee so formed or the Managing Director/Whole-time Director or any other officer or authorized representative of the company shall in the exercise of the power so delegated conform to any regulations that may from time to time be imposed upon it or him by the Board of Directors.
  - ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 75.**
- i. A committee may elect a Chairperson of its meetings;
  - 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 members present may choose one of their members to be Chairperson of the meeting.
  - iii.
    - a) A committee may meet and adjourn as it thinks fit.
    - b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
    - c) 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.
    - d) 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.
- 76.** The quorum necessary for the transaction of the business of Directors shall be two Directors or one third of the total number of Directors whichever is higher. A meeting of the Directors for the time being, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions by law or under the Articles and regulations for the time being vested or exercisable by the Directors generally.
- 77.** For Meeting of Board of Directors of the Company, the Board of Directors may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit.

78. A Director or Directors may on the requisition of a director or director of the Company, at any time, summon a meeting of the Board.
79. Save as otherwise expressly provided in the Act, question arising at any meeting of the Board shall be decided by a simple majority of votes.
80. The Members may by passing an Ordinary Resolution remove a director, before the expiry of his period of office.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR  
CHIEF FINANCIAL OFFICER.**

81. Subject to the provisions of the Act -
- i. A chief executive officer, whole time directors, company secretary or a 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 such chief executive officer, whole time directors, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board and/ or a resolution by members in general meeting;
  - ii. Any of the directors may be appointed as chief executive officer, whole time directors, company secretary or chief financial officer subject to the approval of the Board and the members in general meeting.
82. 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, whole time directors, company secretary or chief financial officer shall not be satisfied unless its being done by or to the same person acting both as director and as, or in place of, chief executive officer, whole time directors, company secretary or chief financial officer.

**COMMON SEAL**

- 83.
- i. The Common Seal of the Company may be made either of metal or of rubber as the directors may decide.
  - ii. The Board shall provide for the safe custody of the Company's Common Seal.
  - iii. 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. The share certificate will, however, be signed and sealed in accordance with Rule prescribed by Central Government in this regard.

**BORROWING POWERS**

84. Subject to section 73 and 179 of the Companies Act, 2013, and Regulations made there under and Directions issued by the RBI the directors may, from time to time, raise or borrow any sums of money for and on behalf of the Company from the member or other persons, companies or banks or they may themselves advance money to the company on such interest as may be approved by the Directors.
85. The Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they deem fit and in particular by the issue of bonds or debentures or by pledge, mortgage, charge or any other security on all or any properties of the Company (both present and future) including its uncalled capital for the time being.

**DEBENTURES**

86. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. The issue and/or allotment of debentures or right to convert debentures into shares shall be made only with the consent of the Company in the General Meeting by a Special Resolution.

## **OPERATION OF BANK ACCOUNTS**

87. The Directors shall have the power to open bank accounts to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments and bills or may authorise any other person or persons to exercise such powers.

## **DIVIDENDS AND RESERVE**

88. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
89. 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.
- 90.
- 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 equalising 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, think fit.
  - ii. The Board may also carry forward any profits which it may consider necessary to divide, without setting them aside as a reserve.
- 91.
- 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.
92. 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.
- 93.
- 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.
94. 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.
95. 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.
96. No dividend shall bear interest against the company.

## **ACCOUNTS**

97. The Board shall, from time to time, determine whether and to what extent and at what, times and places and under what conditions or regulation the accounts and books of the Company or any of them shall be open to the inspection of members (not being Director).
98. No members (not being Director) shall have any right of inspecting any accounts or books of account of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

99. The Directors shall in all respect comply with the provisions of Section 128,134, 137, 206, 207 and 208, of the Act, and profits and Loss Account, Balance Sheet and Auditors Report and every other document required by law to annexed or attached as the case may be, to the Balance Sheet, to be sent to every member and debenture holder of the Company and every trustee for the holders of the debentures issued by the Company at least twenty one days before the date of Annual general meeting of the Company at which they are to be laid, subject to the provisions of section 136 of the Act.

#### **AUDIT**

- 100.
- i. The first Auditor of the Company shall be appointed and fix their remuneration by the Board of Directors within one month from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
  - ii. At the first annual General Meeting the Company shall appoint an Auditor to hold Office from the conclusion of the meeting till the conclusion of its next Annual General Meeting and thereafter till the conclusion of every ensuing annual general meeting.
  - iii. The remuneration of the Auditor, so appointed at each annual general meeting, shall be fixed by the Company in the respective annual general meeting or in such manner as the Company in the Annual General Meeting may determine. Such remuneration shall include the expenses, if any, incurred by the auditors in connection with the audit of the company and any facility extended to the auditors in this respect but does not include any remuneration paid or payable to him for any.

#### **WINDING UP**

101. Winding up when necessary will be done in accordance with the requirements of the Companies Act, 2013 or as per the statutory modification thereto.

#### **SECRECY**

102. Subject to the provisions of law of land and the act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.

#### **INDEMNITY**

103. 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.

#### **GENERAL AUTHORITY**

104. Wherever in the applicable provisions under Companies Act, 2013 it has been provide that any Company shall have any right, privilege or authority or that any Company could carry out any transaction only if the Company is authorised by it Articles, then and in that case this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any other specific regulation in that behalf herein provided.

## SECTION X: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The Copies of the following contracts which have been entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been attached to the copy of this Prospectus delivered to the ROC for registration. Copies of the above-mentioned contracts and also the documents for inspection to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

#### A. Material Contracts

1. Memorandum of Understanding dated 6<sup>th</sup> December, 2017 between our Company and the Lead Manager.
2. Memorandum of Understanding dated 14<sup>th</sup> December, 2017 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated 10<sup>th</sup> December, 2017 between our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making agreement dated 7<sup>th</sup> February, 2018 between our Company, the Lead Manager and the Market Maker.
5. Underwriting Agreement dated 7<sup>th</sup> February, 2018 between our Company and the Underwriter.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated 7<sup>th</sup> December, 2017
7. Tripartite agreement between the CDSL, our Company and the Registrar dated 29<sup>th</sup> November, 2017.

#### B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation of Lex Nimble Solutions Limited, the new certificate of incorporation and certificate for conversion of the private limited company to public limited company.
3. Copy of the resolution of the Board of Directors meeting dated 5<sup>th</sup> December, 2017 authorizing the Issue.
4. Copy of the shareholders' resolution passed at the Extraordinary General Meeting dated 11<sup>th</sup> December, 2017 authorizing the Issue.
5. Copy of consent from the Statutory Auditors for inclusion of their reports on the restated accounts in this Prospectus.
6. Copy of the Auditor's report for Restated Financials dated 15<sup>th</sup> December, 2017 included in this Prospectus.
7. Copy of the Statement of Tax Benefits dated 15<sup>th</sup> December, 2017 from our Statutory Auditors.
8. Copy of the certificate dated 16<sup>th</sup> February, 2018 from M/s. SPC & Associates, Chartered Accountants for deployment of funds.
9. Copy of IP Royalty Agreement with the holding company dated 8<sup>th</sup> November, 2017 for SimpleLaw.
10. Copy of valuation report issued by M/s.SPC & Associates, Chartered Accountants dated 3<sup>rd</sup> August, 2017 for valuation of shares relating to the preferential allotment.
11. Consent of our Directors, Company Secretary and Compliance Officer, LM, to the Issue, Registrar to the Issue, Bankers to our Company, Market Maker, Underwriter, Banker to the Issue as referred to in their specific capacities.
12. Due Diligence Certificate(s) dated 19<sup>th</sup> February, 2018 from the Lead Manager to be submitted to SEBI, as filed with BSE, alongwith the Prospectus.
13. Approval from BSE vide letter dated 15<sup>th</sup> February, 2018 to use the name of BSE in this Prospectus for listing of Equity Shares on the SME Platform of the BSE.

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 of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

We, the Directors of the Company, hereby declare that, all the relevant provisions of Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations or guidelines issued by the Securities and Exchange Board of India, 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, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines / regulations issue, as the case may be. We further certify that all the disclosures and statements made in this Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF OUR COMPANY:**

**Sd/-**

**Mr. Praveen Chakravarthy Medikundam**

(Non – Executive Director and Chairman)

**Sd/-**

**Mr. Samuel Alemu**

(Non – Executive Director)

**Sd/-**

**Smt. Sarada Devi Medikundam**

(Non-Executive Director)

**Sd/-**

**Dr. Chandra Sekhar Vanumu**

(Wholetime Director)

**Sd/-**

**Mr. Sreenivas Katragadda**

(Non-Executive Independent Director)

**Sd/-**

**Mr. Jagannmohan Venkata Bukkaraju**

(Non-Executive Independent Director)

**Sd/-**

**Mr. Nalinkumar Patel**

(Non-Executive Independent Director)

**Sd/-**

**Mr. Rakesh Choudhary**

(Non-Executive Independent Director)

**Sd/-**

**Ms. Kavitha Somavarapu**

(Company Secretary & Compliance Officer)

Date: 19<sup>th</sup> February, 2018

Place: Hyderabad