



**KSOLVES INDIA LIMITED**  
Corporate Identity Number: - U72900DL2014PLC269020

Our Company was originally incorporated on July 17, 2014 as “Keyon Softwares Private Limited” vide Registration No. 269020/ 2014-2015 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Delhi. Further, our Company has changed its name from “Keyon Softwares Private Limited” to Ksolves India Private Limited” vide Special Resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on September 27, 2014 and a fresh certificate of incorporation dated October 14, 2014 issued by the Registrar of Companies, Delhi. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Ksolves India Private Limited” to “Ksolves India Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on April 25, 2020 and a fresh certificate of incorporation dated April 28, 2020 issued by the Registrar of Companies, Delhi. For further details, please refer to chapter titled “History and Corporate Structure” beginning on page 107 of this Draft Prospectus.

**Registered Office:** H. No. B-8/1, Ground Floor, Saidulajab, South Delhi, Delhi - 110030, India

**Corporate Office:** B-4 Third Floor, Sector 63, Noida -201301, Uttar Pradesh, India

**Tel No:** +91-0120-4163248, +91-8368869148/ +91-9871977038/ +91-8533804374, E-mail: [cs@ksolves.com](mailto:cs@ksolves.com), Website: [www.ksolves.com](http://www.ksolves.com)

**CONTACT PERSON: MR. DIPANSHU (COMPANY SECRETARY AND COMPLAINEE OFFICER)**

**PROMOTERS OF OUR COMPANY: MR. RATAN KUMAR SRIVASTAVA AND MRS. DEEPALI VERMA**

**THE ISSUE**

**INITIAL PUBLIC ISSUE OF 4,02,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“EQUITY SHARES”) OF KSOLVES INDIA LIMITED (“OUR COMPANY” OR “ISSUER”) FOR CASH AT A PRICE OF ₹ 100.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 90.00 PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO ₹ 402.00 LAKHS (“ISSUE”) OF WHICH 20,400 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH FOR A CASH PRICE OF ₹ 100.00 PER EQUITY SHARE, AGGREGATING TO ₹ 20.40 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 3,81,600 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹ 100.00 PER EQUITY SHARE AGGREGATING TO ₹ 381.60 LAKHS (IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.13% AND 25.75%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 212 OF THIS DRAFT PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE IS ₹ 100.00. THE ISSUE PRICE IS 10.00 TIMES OF THE FACE VALUE.**

In Terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRA”) the Issue has been made for at least 25% of the Post-Issue paid up Equity Capital of the Company. This Issue is a Fixed Price Issue in compliance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (The “SEBI ICDR Regulations”), as amended and Allocation in the Net Issue to the Public will be made in terms of regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended. In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 and SEBI/HO/CFD/DIL2/CIR/P/2018/138, All Applicants shall only participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process by providing details about the respective bank account (including UPI ID for RIIs using UPI Mechanism) wherein the Application Amount will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or under the UPI Mechanism as the case may be, to the extent of respective Application Amount. For further details, please refer to section titled “Issue Procedure” beginning on page 221 of this Draft Prospectus.

**ELIGIBLE INVESTORS**

For details in relation to Eligible Investors, please refer to section titled “Issue Procedure” beginning on page 221 of this Draft Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹10.00 per equity share and the Issue Price is 10.00 times of the face value. The Issue Price (will be determined and justified by our Company in consultation with the Lead Manager as stated under the paragraph “Basis for Issue Price” on page 72 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

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 our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. **Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 21 of this Draft Prospectus.**

**ISSUER’S ABSOLUTE RESPONSIBILITY**

Our Issuer have made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft 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 this Draft Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited (“NSE”) i.e. “NSE EMERGE”) in terms of the Chapter IX of the SEBI ICDR Regulation, 2018 as amended from time to time. Our Company has received an in-principle approval letter dated [●] from NSE for using its name in this offer document for listing of our shares on the SME Platform of NSE (“NSE EMERGE”). For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

**LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**

**SHRENI**  
**SHARES PVT. LTD.**

**Bigshare Services Pvt. Ltd.**

**SHRENI SHARES PRIVATE LIMITED**  
Office No. 102, 1st Floor, Sea Lord CHS, Plot No. 1/B, 1/A,  
Survey No. A-12, Ram Nagar, Borivali (West),  
Mumbai- 400092, Maharashtra, India  
**Telephone Number:** +91-22-28088456  
**Email Id:** [shrenishares@gmail.com](mailto:shrenishares@gmail.com)  
**Investors Grievance Id:** [info@shreni.in](mailto:info@shreni.in)  
**Website:** [www.shreni.in](http://www.shreni.in)  
**Contact Person:** Mr. Parth Shah  
**SEBI Registration Number:** INM000012759

**BIGSHARE SERVICES PRIVATE LIMITED**  
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri (East) Mumbai – 400059, Maharashtra, India.  
**Telephone:** +91-22-6263 8200  
**Facsimile:** +91-22-6263 8280  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor grievance email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person:** Mr. Babu Rapheal  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**SEBI Registration Number:** INR000001385

**ISSUE PROGRAMME**

**ISSUE OPENS ON: [●]**

**ISSUE CLOSES ON: [●]**

**THIS PAGE HAS BEEN KEPT BLANK PURSUANT  
TO SCHEDULE VI OF  
SECURITIES AND EXCHANGE BOARD OF INDIA  
(ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

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## **SECTION I – GENERAL**

### **DEFINITIONS AND ABBREVIATIONS**

*This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.*

*The words and expressions used in this Draft Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under. Notwithstanding the foregoing, terms used in of the sections “Industry Overview”, “Key Regulations and Policies”, “Statement of Special Tax Benefits”, “Financial Information of our Company”, “Basis for Issue Price”, “History and Corporate Structure”, “Financial Indebtedness”, “Other Regulatory and Statutory Disclosures”, “Outstanding Litigation and Material Developments” and “Main Provision of Articles of Association” on pages 77, 99, 75, 129, 72, 107, 194, 202, 195 and 247 respectively, shall have the meaning ascribed to such terms in such sections.*

#### **General Terms**

<b>Term</b>	<b>Description</b>
“KSIL”, “the Company”, “our Company” and Ksolves India Limited	Ksolves India Limited, a company incorporated in India under the Companies Act 2013 having its Registered office at H. No B-8/1, Ground Floor, Saidulajab, Delhi, South Delhi -110030 India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
“you”, “your” or “yours”	Prospective investors in this Issue

#### **Company related terms**

<b>Term</b>	<b>Description</b>
AOA / Articles / Articles of Association	Articles of Association of Ksolves India Limited as amended from time to time.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
Auditors/ Statutory Auditors	The Auditors of Ksolves India Limited being M/s A Y & Company, Chartered Accountant.
Bankers to the Company	Deutsche Bank AG
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “Our Management” beginning on page 111 of this Draft Prospectus.
Chairman/ Chairperson	The Chairman/ Chairperson of Board of Directors of our Company being Mr. Ratan Kumar Srivastava.
CIN	Corporate Identification Number of our Company i.e. U72900DL2014PLC269020
Chief Financial Officer/CFO	The Chief Financial Officer of our Company being Mrs. Deepali Verma
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mr. Dipanshu
Corporate Office	B-4 Third Floor, Sector 63, Noida -201301, Uttar Pradesh, India
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company.
Group Companies	Companies with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and also other

	companies as considered material by our Board of the issuer as disclosed in “Our Group Companies” on page 127 of this Draft Prospectus.
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the Listing Regulations.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	International Securities Identification Number. In this case being [●]
IT Act	The Income Tax Act, 1961 as amended till date
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “Our Management” on page 111 of this Draft Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on April 30, 2020, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.
MD or Managing Director	The Managing Director of our Company being Mr. Ratan Kumar Srivastava.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Ksolves India Limited as amended from time to time.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations.
Non-Executive Director	A Director not being an Executive Director or an Independent Director
NRI / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	Auditor having a valid Peer Review certificate in our case being M/s A Y & Company, Chartered Accountants.
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 validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter(s)	Shall mean promoters of our Company i.e. Mr. Ratan Kumar Srivastava & Mrs. Deepali Verma. For further details, please refer to section titled “Our Promoters and Promoter Group” beginning on page 123 of this Draft Prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “Our Promoter and Promoter Group” beginning on page 123 of this Draft Prospectus.
Registered Office	H. No B-8/1, Ground Floor, Saidulajab, Delhi, South Delhi -110030 India.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	The Restated Financial Information of the Company, which comprises of the Restated Standalone Balance Sheet, the Restated Standalone Statement of Profit and Loss and Restated Standalone Statement of Cash Flow, as at and for the years ended March 31, 2020, 2019 and 2018 together with the annexure and notes thereto and Restated Consolidated Balance Sheet, the Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flow, as at and for the years ended March 31, 2020 together with the annexure and notes thereto.
RoC/ Registrar of Companies	Registrar of Companies, Delhi
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 /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Shareholders	Shareholders of our Company
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA/Initial Promoters	Initial Subscriber to MOA & AOA being Mr. Ratan Kumar Srivastava & Mrs. Deepali Verma.
Stakeholders Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.
Subsidiary Company	Subsidiary Company of our Company being Kartik Solutions Private Limited
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI Regulations

## ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
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
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form in terms of which the Applicant shall make a Application, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of this Draft Prospectus.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)/ Applicant	Any prospective investor who makes an Application pursuant to the terms of the draft Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the Draft Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.



Terms	Description
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “Issue Procedure” on page 221 of this Draft Prospectus.
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
BSE	BSE Limited
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of this Draft Prospectus.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognized-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognized-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Stock Exchange	National Stock Exchange of India Limited (SME Exchange) (“NSE EMERGE”)
DP	Depository Participant
DP ID	Depository Participant's Identity Number
Draft Prospectus	Draft prospectus dated April 30, 2020 issued in accordance with Section 23, 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.

Terms	Description
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
Escrow Account	Accounts opened with the Banker to the Issue
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
GIR Number	General Index Registry Number.
IPO/ Issue/ Issue Size/ Public Issue	Initial Public Offering
Issue Agreement	The Agreement dated April 30, 2020 between our Company and LM.
Issue Closing Date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Opening Date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs 100/- per equity share.
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 Applications.
Issue Size	The Public Issue 4,02,000 Equity shares of Rs. 10/- each at issue price of Rs. 100/- per Equity share, including a premium of Rs. 90/- per equity share aggregating to Rs. 402.00 Lakhs.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “Objects of the Issue” page 67 of this Draft Prospectus
LM/Lead Manager	Shreni Shares Private Limited
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
Market Maker Reservation Portion	The reserved portion of 20,400 Equity Shares of Rs. 10 each at an Issue price of Rs. 100/- each aggregating to Rs. 20.40 Lakhs to be subscribed by Market Maker in this issue.



Terms	Description
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 3,81,600 equity Shares of Rs. 10 each at a price of Rs. 100.00 per Equity Share (the "Issue Price"), including a share premium of Rs. 90.00 per equity share aggregating to Rs. 381.60 Lakhs.
Non-Institutional Investors / Applicant	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
NSEL/NSE	National Stock Exchange of India Limited
NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI ICDR Regulations.
Other Investor	Investors other than Retail Individual Investors. 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.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The prospectus, filed with the RoC in accordance with the provisions of Section 23, 26 and 32 of the Companies Act, 2013.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25.00 Crore; a pension fund with minimum corpus of Rs 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Bigshare Services Private Limited
Registrar Agreement	The agreement dated April 29, 2020 entered into between our Company, and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 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 Rs. 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members"(except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/content/cat_of_mem.htm">http://www.nseindia.com/membership/content/cat_of_mem.htm</a>
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018

Terms	Description
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s)
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no.CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Self-Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
SME Exchange	SME Platform of the NSE i.e. NSE EMERGE
SEBI(PFUTP) Regulations/ PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application
Underwriters	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated [●] entered between the Underwriters, LM and our Company.
Unified Payments Interface (UPI)	UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two person's bank accounts using a payment address which uniquely identifies a person's bank Account.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment
UPI mechanism	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Day	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Draft Prospectus are open for business :- 1. However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Prospectus are open for business. 2. In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.

## COMPANY AND INDUSTRY RELATED TERMS

### Technical and Industry Related Terms

Term	Full Form
ADM	Application Development Management
AI	Artificial Intelligence

AR	Augmented Reality
BPA	Business Process Automation
BPM	Business Process Management
CBT	Computer Based Tools (CD Based Learning Tools)
CRM	Customer Relationship Management
EPM	Enterprise Project Management
ERP	Enterprise Resource Planning
FMC	Fixed-mobile Convergence
HTML	Hypertext Markup Language
IDX/MLS	Internet Data Exchange / Multi Listing Services
IOT	Internet of things
IT	Information Technology
ITES	IT enabled Services
JS	JavaScript (a coding language)
KYC	Know Your Client
MDM	Mobile Development Management
MSF	Microsoft Solutions Framework
NOC	Network Operations Centers
NIFI	Niagara Files
PHP	Hypertext Preprocessor
R&D	Research & Development
ROR	Ruby on Rails
UI	User Interface
UX	User Experience
VR	Virtual Reality

## ABBREVIATIONS

Abbreviation	Full Form
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as the Bombay Stock Exchange Limited)
BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit

Abbreviation	Full Form
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate social responsibility.
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICAI (Previously known as ICWAI)	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / ₹/ Rupees/Rs.	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer

Abbreviation	Full Form
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
HNI	High Net Worth Individual
i.e	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and medium Enterprises
MoA	Memorandum of Association
MRP	Maximum Retail Price
NA	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)

Abbreviation	Full Form
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self-Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
UPI	Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
VAT	Value Added Tax
w.e.f.	With effect from
YoY	Year over Year

The words and expressions used but not defined in this Draft Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Industry Overview”, “Regulations and Policies”, “Financial Information of the Company”, “Outstanding Litigation and Material Developments” and “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.



## **CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

All references in the Draft Prospectus to “India” are to the Republic of India. All references in the Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Ksolves India Limited”, “KSIL”, and, unless the context otherwise indicates or implies, refers to Ksolves India Limited. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### **Use of Financial Data**

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Prospectus is derived from our financial statements prepared and restated for the financial year ended on March 31, 2020, 2019 and 2018 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “Financial Information of our Company” beginning on page 129 of this Draft Prospectus. Our Company have made investment in wholly owned Subsidiary Company on October 01, 2019. Accordingly, financial information relating to us is presented on a Consolidated & Standalone basis both. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

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

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in the Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “Financial Information of our Company” beginning on page 129 of this Draft Prospectus.

For additional definitions used in this Draft Prospectus, see the section “Definitions and Abbreviations” on page 01 of this Draft Prospectus. In the section titled “Main Provisions of Articles of Association”, on page 247 of the Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### **Currency and Units of Presentation**

All references to:

- “Rupees” or “INR” or “Rs.” or “₹” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Prospectus in “Lakhs” units. One Lakh represents 1,00,000. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal place.

### **Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the Draft prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and

website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. 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 market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled “Basis for Issue Price” on page 72 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

## **FORWARD LOOKING STATEMENTS**

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. We have included statements in the Draft Prospectus which contain words or phrases such as “will”, “aim”, “is likely to 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, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
2. Failure to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technologies and the industries we focus on;
3. The business or financial condition of our clients or the economy generally, or any developments in the IT sector in macroeconomic factors, which may affect the rate of growth in the use of technology in business type of technology spending by our clients and the demand for our services;
4. Pricing pressure due to intense competition in the market for IT Services;
5. Fail to attract, retain and manage the transition of our management team and other skilled professionals;
6. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
7. Ability to respond to technological changes;
8. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
9. Inability to successfully obtain registrations in a timely manner or at all;
10. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
11. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
12. Recession in the market;
13. Changes in laws and regulations relating to the industries in which we operate;
14. Effect of lack of infrastructure facilities on our business;
15. Our ability to successfully implement our growth strategy and expansion plans;
16. Our ability to meet our capital expenditure requirements;
17. Our ability to attract, retain and manage qualified personnel;
18. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
19. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
20. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
21. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
22. Conflicts of interest with affiliated companies, the promoter group and other related parties;
23. The performance of the financial markets in India and globally;
24. Any adverse outcome in the legal proceedings in which we may be involved;
25. Our ability to expand our geographical area of operation;
26. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled "Risk Factors"; “Our Business” & and "Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 21, 88 & 180 respectively of the Draft Prospectus. 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.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

## SECTION II: OFFER DOCUMENT SUMMARY

### A. PRIMARY DETAIL OF BUSINESS AND INDUSTRY

#### Summary of Business

We are an ISO certified software services and product company offering solutions that enables client organizations to rapidly develop powerful applications addressing their strategic business needs. The applications created by us enable organizations to drive digital transformation and competitive differentiation. Our Company is basically engaged in software development, enterprise solutions and consulting, providing a range of Information Technology (“IT”) solutions to companies across sectors such as Real Estate, E-Commerce, Finance, Telecom and Healthcare etc. We design, develop and maintain software systems and solutions, create new applications and enhance the functionality of our customer’s existing software products.

For further details, please refer chapter titled “Our Business” beginning on Page no. 88 of this Draft Prospectus.

#### Summary of Industry

The services sector’s significance in the Indian economy has continued to increase, with the sector now accounting for around 55 per cent of total size of the economy and GVA growth, two-thirds of total FDI inflows into India and about 38 per cent of total exports. The share of services sector now exceeds 50 per cent of Gross State Value Added in 15 out of the 33 states and UTs, with this share more than 80 per cent in Delhi and Chandigarh. However, data on GVA growth, high-frequency indicators and sectoral trends suggest a moderation in services sector activity during 2019-20.

For further details, please refer chapter titled “Industry Overview” beginning on Page no. 77 of this Draft Prospectus.

### B. OUR PROMOTERS

Our company is promoted by Mr. Ratan Kumar Srivastava & Mrs. Deepali Verma

### C. SIZE OF THE ISSUE

Public Issue of 4,02,000 Equity Shares of Face Value of ₹ 10/- each of Ksolves India Limited (“KSIL” or “Our Company”) for Cash at a Price of ₹ 100 Per Equity Share (Including a Share Premium of ₹ 90 per Equity Share) (“Issue Price”) aggregating to ₹ 402.00 Lakhs, of which 20,400 Equity Shares of Face Value of ₹ 10/- each at a price of ₹ 90 aggregating to ₹ 20.40 Lacs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of 3,81,600 Equity Shares of Face Value of Rs. 10/- each at a price of ₹ 100/- aggregating to ₹ 381.60 Lakhs (hereinafter referred to as the “Net Issue”) The Issue and the Net Issue will constitute 27.13% and 25.75% respectively of the Post Issue paid up Equity Share Capital of Our Company.

### D. OBJECT OF THE ISSUE

The fund requirements for each of the Object of the Issue are stated as below:

S. No	Particulars	Amt. (₹ in Lacs)	% of Total Issue Size
1.	To Meet Working Capital Requirement	280.00	69.65
2.	General Corporate Expenses	82.00	20.40
3.	Public Issue Expenses	40.00	9.95
<b>Gross Issue Proceeds</b>		<b>402.00</b>	<b>100.00</b>
<b>Less: Issue Expenses</b>		40.00	
<b>Net Issue Proceeds</b>		<b>362.00</b>	

### E. PRE-ISSUE SHAREHOLDING OF OUR PROMOTER AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

S.No	Names	Pre Issue	
		Shares Held	% Shares Held
	<b>Promoters</b>		
1.	Mr. Ratan Kumar Srivastava	5,03,800	46.65

2.	Mrs. Deepali Verma	5,04,000	46.66
	<b>TOTAL (A)</b>	<b>10,07,800</b>	<b>93.31</b>
	<b>Promoter Group</b>		
1.	Mr. Ravindra Kumar Verma	100	0.01
2.	Mrs. Shashi Verma	100	0.01
	<b>TOTAL (B)</b>	<b>200</b>	<b>0.02</b>
	<b>GRAND TOTAL (A+B)</b>	<b>10,08,000</b>	<b>93.33</b>

For further details refer chapter titled “Capital Structure” beginning on page no. 56 of this Draft Prospectus.

## F. SUMMARY OF RESTATED FINANCIAL STATEMENT

### Standalone Financial Statement

Particulars	(Amount in Lakhs)		
	For the year ended March 31,		
	2020	2019	2018
Share Capital	2.00	2.00	1.00
Net Worth	86.79	19.60	21.51
Total Revenue	814.51	542.62	340.85
Profit after Tax	67.19	15.83	5.50
Earnings Per Share	13.48	3.18	2.20
Net Asset Value Per Share (₹)	433.95	97.98	215.10
Total Borrowings	--	--	--

### Consolidated Financial Statement

Particulars	(Amount in Lakhs)	
	For the year ended March 31, 2020	
Share Capital	2.00	
Net Worth	87.59	
Total Revenue	1013.64	
Profit after Tax	67.99	
Earnings Per Share	13.64	
Net Asset Value Per Share (₹)	437.95	
Total Borrowings	19.32	

G. There are no material Auditor’s Qualifications in any of the Financial Statements of the Company.

## H. SUMMARY OF OUTSTANDING LITIGATION ARE AS FOLLOWS:

Nature of Cases	No of Outstanding Cases	Amount involved (In Lacs)
<b>Litigation filed by or against Company, Directors, Promoters and Group Companies</b>		
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Tax Proceedings (Outstanding Demand)	4	3.09
Other Litigation	--	--

For further information, please refer chapter titled “Outstanding Litigations and Material Developments” on page no. 195 of this Draft Prospectus.

I. Investors should read chapter titled “Risk Factors” beginning on page no. 21 of this Draft Prospectus to get a more informed view before making any investment decisions.



## J. SUMMARY OF CONTINGENT LIABILITIES

There is no contingent Liabilities as on March 31, 2020, March 31, 2019, March 31, 2018 and March 31, 2017. For further information, please refer "Contingent Liability" under chapter titled "Financial Information of our Company" on page no. 129 of this Draft Prospectus.

## K. SUMMARY OF RELATED PARTY TRANSACTIONS

Related Party Transaction on basis of Restated Standalone Financial Statements:-

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	As at March 31		
		2020	2019	2018
1. Directors Remuneration	Mr. Ratan Kumar Srivastava	41.71	36.91	-
<b>Total</b>		<b>41.71</b>	<b>36.91</b>	<b>-</b>
2. Reimbursement of Expenses	Mr. Sachin Balkrishna Ramdasi	0.22	7.31	1.33
	Mr. Ratan Kumar Srivastava	7.75	-	-
<b>Total</b>		<b>7.97</b>	<b>7.31</b>	<b>1.33</b>
3. Professional Fees	Mr. Ravindra Kumar Verma	23.73	18.30	12.11
	Mrs. Seema Srivastava	0.50	-	-
	Mr. Gauri Shankar Srivastava	-	30.90	6.71
	Mr. Bal Krishna Ramdasi	3.00	-	-
	Mr. Sachin Balkrishna Ramdasi	-	6.68	-
<b>Total</b>		<b>27.23</b>	<b>55.88</b>	<b>18.82</b>
4. Dividend Paid	Mr. Ratan Kumar Srivastava	-	6.23	-
	Mrs. Deepali Verma	-	6.23	-
	Mr. Sachin Balkrishna Ramdasi	-	3.12	-
<b>Total</b>		<b>-</b>	<b>15.58</b>	<b>-</b>
5. Salary	Mrs. Mayuri Sachin Ramdasi	14.29	19.62	12.30
<b>Total</b>		<b>14.29</b>	<b>19.62</b>	<b>12.30</b>
6. Purchase of Investments	Mr. Ratan Kumar Srivastava	26.25	-	-
	Mrs. Deepali Verma	26.25	-	-
<b>Total</b>		<b>52.50</b>	<b>-</b>	<b>-</b>
7. Loan Received/(Paid)	<b>Kartik Solution Private Limited</b>			
	Balance at the beginning of the year	-	-	-
	Add : Loan Received During the year	73.61	24.50	4.55
	Less : Loan Repaid during the year	73.61	24.50	4.55
	Balance at the end of the year	-	-	-
	<b>Seema Srivastava</b>			
	Balance at the beginning of the year	-	-	-
	Add : Loan Received During the year		3.15	-
	Less : Loan Repaid during the year		3.15	-
	Balance at the end of the year		-	-
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.				

Related Party Transaction on basis of Restated Consolidated Financial Statements:-

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	For the Period Ended on 31 <sup>st</sup> March
		2020
1. Directors Remuneration	Mr. Ratan Kumar Srivastava	41.71
	Mrs. Deepali Verma	42.00
<b>Total</b>		<b>83.71</b>
2. Reimbursement of Expenses	Mr. Ratan Kumar Srivastava	7.75
	Mr. Sachin Balkrishna Ramdasi	0.22
<b>Total</b>		<b>7.97</b>
3. Professional Fees	Mr. Ravindra Kumar Verma	55.68
	Mr. Sachin Balkrishna Ramdasi	55.02
	Mr. Bal Krishna Ramdasi	12.00
	Mrs. Seema Srivastava	0.50
<b>Total</b>		<b>111.20</b>
4. Salary	Mrs. Mayuri Sachin Ramdasi	14.29
	Mrs. Anuradha Ramdasi	6.60
	Mrs. Shashi Verma	18.00
<b>Total</b>		<b>38.89</b>
5. Dividend paid	Mr. Ratan Kumar Srivastava	9.90
	Mrs. Deepali Verma	9.90
6. Loan Received/(Paid)	<b>Mr. Ratan Kumar Srivastava</b>	
	Balance at the beginning of the year	-
	Add : Loan Received During the year	3.00
	Less : Loan Repaid during the year	-
	Balance at the end of the year	3.00
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3		

For further details refer “Annexure J and 10 – Related Party Transaction” under chapter titled “Financial Information of our Company” beginning on page no. 129 of this Draft Prospectus.

**L.** There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Prospectus.

**M.** The weighted average price of acquisition of Equity Shares by our Promoters in last one year is:

Our Promoter has acquired Equity Shares in last year. For further details refer chapter titled “Capital Structure” beginning on page no. 56 of this Draft Prospectus.

**N.** The average cost of acquisition of Equity Shares by our Promoters is:

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Ratan Kumar Srivastava	5,03,800	9.78
Deepali Verma	5,04,000	9.78

\*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each.

**O.** Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus till the listing of the Equity Shares.

- P.** Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus
- Q.** Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Prospectus.

### **SECTION III – RISK FACTORS**

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 88 and 180, respectively, as well as the other financial and statistical information contained in this Draft Prospectus. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Before making an investment decision, investors must rely on their own examination of the Issue and us.*

*This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

*In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” on page 21 and “Management Discussion and Analysis of Financial Condition and Results of Operations” on page 180 respectively of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Financial Information of our Company” prepared in accordance with the Indian Accounting Standards.*

#### **Materiality**

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

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material individually but may be found material collectively;
4. Some events may not be material at present but may be having material impact in future.

#### **INTERNAL RISK FACTORS**

- 1. We are dependent on our ability to develop new services and products, and enhance our existing services and products. If our products and services do not gain market acceptance, our operating results may be negatively affected.**

Rapid technological advances, changing delivery models and evolving standards in software development and changing and increasingly sophisticated customer needs and frequent new product introductions and enhancements characterize the industry in which we operate. Digitization is driving major changes in the global business software market, with IT leaders looking to adopt new technologies and software platforms to meet business needs, including revenue growth driven through new products and services, better customer experience and delivery mechanisms, and growth in revenue and profits. Our success depends upon our ability to anticipate, design, develop, test, market and support new software products, services, and enhancements of current products and services in response to evolving industry requirements.

To effectively meet customer demand, it is important that we continue to enhance our products and service offerings. We have developed progressive applications and software. The markets for our offerings are rapidly evolving due to which the level of acceptance of such products and services is not certain.

If we are unable to develop new or sufficiently differentiated products and services, enhance our product offerings and support services in a timely manner or position and price our products and services to meet demand including in response to new industry standards, customers may not purchase or subscribe to our software products or cloud offerings or renew software support subscription.

If the markets for our services fail to develop, develop slower than expected or experience increased competition, our business may suffer. As a result, we may be unable to successfully market our existing services and products, develop and successfully launch new products and services and enhancements to existing products and services, complete customer implementations on a timely basis, or complete products and services currently under development. If our services are not accepted by our customers or by associated businesses in our target verticals and markets, our business, operating results and financial condition will be materially adversely affected. For further details regarding our business, please refer to chapter titled “Our Business” beginning on Page 88 of this Draft Prospectus.

***2. We require certain approvals or licenses in the ordinary course of business and the failure to renew, obtain or retain them in a timely manner, or at all, may affect our operations.***

We require certain statutory and regulatory approvals, licenses, registrations and permissions, and applications need to be made at the appropriate stages for our business to operate. Although we believe that we have obtained required license for carrying our business activity. There can be no assurance that the relevant authorities will renew these approvals or licenses in a timely manner. As a result, we may not be able to execute our business plan as planned. An inability to obtain or maintain approvals or licenses required for our operations may adversely affect our operations. Government approvals, licenses, clearances and consents are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. Further the name of Company is changed from Ksolves India Private Limited to Ksolves India Limited and our license are pending for renewal due to change in name of Company and our shop and establishment registration is pending for renewal. Also certain of registration are bearing address of office where company's operations are not presently operated. Any problem arises in renewal of the same will affect our business.

Furthermore, approvals, licenses, clearances, and consents covering the same subject matter are often required at State and central Government levels. If we fail to comply, or a regulator claims that we have not complied, with these conditions, we may not be able to commence or continue with work or operate our business activity. For further information on various approvals or licenses required in connection with our operations, please see the section entitled “Government and other Approvals” on page 199 of this Draft Prospectus.

***3. We have limited financial history and our prior period financial results may not accurately represent our future financial performance.***

We have experienced significant growth in our limited operating history. Our Company was incorporated in the year 2014-15. For the period ended March 31, 2020 our Company's Total Standalone Income and Restated Standalone Profit after Tax were Rs. 814.51 Lacs and Rs. 67.19 Lacs, respectively. For the year ended March 31, 2019, our Company's Total Standalone Income and Restated Standalone Profit after Tax were Rs. 542.62 Lacs and Rs. 15.83 Lacs, respectively as compared to our Company's Total Standalone Income and Restated Standalone Profit after Tax was Rs. 340.85 Lacs and Rs. 5.50 Lakhs respectively for the year ended March 31, 2018. Additionally our Company has incurred losses in the initial year i.e. 2014-15 as per Audited Financial Statements due to process in setting up the business. Our business prospects must be considered in light of the risks and uncertainties encountered by companies undergoing rapid growth in competitive markets. Although we have grown significantly our prior growth rates may not be sustainable or a good predictor of future operating results. This substantial growth has placed, and will continue to place, demands on our management and other resources and there is no assurance that these demands will be met successfully. We may not be able to increase revenue or maintain profitability on a quarterly or an annual basis. If this occurs, our results of operations and financial condition will be adversely affected. Our growth exposes us to a wide range of increased risks. It will also place significant demands on our management, financial and other resources and will require us to continuously develop and improve our operational, financial and internal controls.

There can be no assurance that we will be able to successfully pursue our growth strategies, or that pursuing these strategies will provide us the anticipated benefits in terms of growth and profitability. Further, we may be unable to develop adequate systems, infrastructure and technologies, devote sufficient financial resources or develop and attract talent to manage our growth. Our inability to pursue our growth strategies successfully or at all, or an inability to manage our growth, may adversely affect our

prospects. For further details, please refer to section titled “Financial Information of our Company” beginning on Page 129 of this Draft Prospectus.

**4. *Interruptions or performance problems associated with our technology may harm our business and results of operations.***

Our growth depends in part on the ability of our existing and potential customers to access our applications and softwares at any time. Although there have not been instances in the past where interruptions or problems with our technology have caused performance issues, we may in future experience disruptions, data loss, outages and other performance problems with our technology due to a variety of factors, including introductions of new functionality, human or software errors, capacity constraints, denial of service attacks or other security-related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve our performance.

Any disruptions in these services, including as a result of actions outside of our control, would significantly impact the continued performance. Any loss of the right to use any of these services could result in decreased functionality of our products until equivalent technology is either developed by us or, if available from another provider, is identified, obtained and integrated into our infrastructure. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, results of operations and financial condition could be harmed. For further details regarding our business, please refer to chapter titled “Our Business” beginning on Page 88 of this Draft Prospectus.

**5. *There are outstanding legal proceedings involving our Company & Promoter. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

We are involved in certain legal proceedings which are pending with Income Tax department. We cannot provide assurance that these legal proceedings will be decided in our favor. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. A summary of the pending civil and other proceedings involving the Company & Promoter is provided below:

**Litigation involving Our Company and Promoter:**

**A. Cases against our Company & Promoter**

<b>Nature of Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount involved (In Lacs)</b>
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Litigation involving Taxation issues	4	3.09
Other Litigation	--	--

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. For further details of legal proceedings involving the Company & Promoter, please see “Outstanding Litigation and Material Developments” beginning on page 195 of this Draft Prospectus

**6. *We may be sued by third parties for alleged infringement or misappropriation of their proprietary rights.***

There is considerable intellectual property development activity in our industry. Our future success depends in part on not infringing upon or misappropriating the intellectual property rights of others. Our competitors or other third parties may claim that we are infringing upon or misappropriating their intellectual property rights, and we may be found to be infringing upon or misappropriating such rights. We may be unaware of the intellectual property rights of others that may cover some or all of our technology, or technology that we obtain from third parties.

Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages, prevent us from offering our products or using certain technologies, require us to implement expensive work-arounds or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers or business partners in connection with any such claims or litigation and to obtain licenses, modify our products or refund fees, which could further exhaust our resources.



In addition, we may incur substantial costs to resolve claims or litigation, whether or not successfully asserted against us, which could include payment of significant settlement, or license fees, modification of our products or refunds to customers of fees. Even if we were to prevail in the event of claims or litigation against us, any claim or litigation regarding our intellectual property could be costly and time consuming and divert the attention of our management and other employees from our business operations and disrupt our business. For further details regarding our business, please refer to chapter titled “Our Business” beginning on Page 88 of this Draft Prospectus.

- 7. *Our Company has made investments in its wholly owned subsidiary company in the FY 2019-20. While the investments offer the opportunity for substantial returns and capital gains, they also involve a high degree of risk that can result in substantial losses.***

We have made investments in our wholly owned subsidiary company on October 01, 2019 and may continue to make such investments in the future with parties that we believe can provide access to new markets, capabilities or assets. Also the Company has not made any provision for decline in value of such investment on reporting date. The acquisition and investments subject us to risks and we cannot assure that any such investments will be successful or meet our expectations. There can be no assurance that our Company will correctly evaluate the nature and magnitude of the various factors that may affect the value of such investments. If it does not, we may suffer losses, dilute value to shareholders, may not be able to take advantage of appropriate investment opportunities or complete transactions on terms commercially acceptable to us. The value of the investments may fluctuate due to variety of factors that are difficult to predict, such as domestic or international economic and political developments, which may significantly affect the value of our investments and thereby affect our results of operations and financial condition. For further details of our investment, section titled “Financial Information of our Company” beginning on Page 129 of this Draft Prospectus.

- 8. *We may need to change our pricing models to compete successfully.***

The competition we face in the sale of our products and services and general economic and business conditions as well as changes in the IT industry standards and landscape, can put pressure on us to change our pricing models. If our competitors offer deep discounts on certain products or services or develop products that the marketplace considers more valuable, we may need to lower prices or offer other favourable terms in order to compete successfully. Any such changes may reduce our sales or margins and could adversely affect our business and operating results.

Our competitors may offer lower pricing on their offerings, which could put pressure on us to further discount our products and services. Any broad-based change to our prices and pricing policies could cause our revenues to decline or be delayed as our sales force implements and our customers adjust to the new pricing policies. Some of our competitors may bundle products for promotional purposes or as a long-term pricing strategy or provide guarantees of prices and product implementations. These practices could, over time, significantly constrain the prices that we can charge for some of our products. If we do not adapt our pricing models to reflect changes in customer use of our products or changes in customer demand, our revenues could decrease. For further details regarding our business and competition, please refer to chapter titled “Our Business” beginning on Page 88 of this Draft Prospectus.

- 9. *We derive a significant portion of our revenues from our top ten customers approximate to 72%. The loss of, or a significant reduction in the revenues we receive from, one or more of these clients, may adversely affect our business.***

Our top ten customers contribute approximately 72% of our revenues for the financial year ended March 31, 2020. Any decline in our Quality standards, growing competition and any change in the demand for our services by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. However, the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering applications & software to address specific needs in a proactive, cost effective and time efficient manner. This helps us in providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth.

For further details of our ten top customers, please refer chapter titled “Management’s Discussion & Analysis of Financial Conditions & Results of Operations” beginning on Page 180 of Draft Prospectus.

- 10. *Product development is a long, expensive and uncertain process and our current expenditure in product development may not provide a sufficient or timely return.***

The development of our applications and software is a complex and time-consuming process, and the investment in their development often involves a long wait until a return is achieved on such an investment. We have made, and will continue to make,

significant investments in product development and related product opportunities. Investments in new technology and processes are inherently speculative. Commercial success depends on many factors, including the degree of innovation of the software products and services developed and effective distribution and marketing. Such expenditure may adversely affect our operating results if they are not offset by corresponding and timely revenue increases. However, significant revenues from new application and software investments may not be achieved for a number of years, or at all. Moreover, new software products and services may not be profitable, and even if they are profitable, operating margins for new software products and services may not be in line with the margins we have experienced for our existing or historical application and software. For further details regarding our business, please refer to chapter titled “Our Business” beginning on Page 88 of this Draft Prospectus.

***11. Our industry is highly competitive and we may not be able to compete effectively with competitors.***

Our industry is highly fragmented and intensely competitive. Our competitors are numerous, ranging from small private firms to multi-billion dollar public companies. Contract awards are based primarily on quality of service, relevant experience, staffing capabilities, reputation, geographic presence, stability and price. In addition, the technical and professional aspects of our services generally do not require large upfront capital expenditures and provide limited barriers against new competitors. Many of our competitors have achieved greater market penetration in some of the markets in which we compete and have more personnel, technical, marketing and financial resources or financial flexibility than we do. If our competitors develop and implement methodologies that yield greater efficiency and productivity, they may be able to offer services similar to ours at lower prices without adversely affecting their profit margins. Even if our offerings address industry and client needs, our competitors may be more successful at selling their services. If we are unable to provide our clients with superior services and solutions at competitive prices or successfully market those services to current and prospective clients, our business, results of operations and financial condition may suffer. These competitive forces could force us to make price concessions or otherwise reduce prices for our services. If we are unable to maintain our competitiveness, our market share, revenue, and profits could decline. For further details regarding our business and competition, please refer to chapter titled “Our Business” beginning on Page 88 of this Draft Prospectus.

***12. Our operating results could be adversely affected by weakening of economic conditions due to lock-down in all parts of India and other parts of world due to pandemic covid-19.***

Our overall performance depends in part on the global economic conditions. Certain economies have experienced periods of downturn due to the present situation prevailing in India and outside India due to pandemic disease of Covid-19 which impact financial markets, concerns regarding the stability and viability of major financial institutions, declines in gross domestic product, and increases in unemployment and volatility in commodity prices and worldwide stock markets, and excessive government debt.

Moreover, the instability in the global economy affects countries in different ways, at different times and with varying severity, which makes the impact to our business unforeseeable and indeterminate. During such downturns, many customers may delay or reduce technology purchases. Contract negotiations may become more protracted or conditions could result in reductions in the sale of applications and other services, longer sales cycles, pressure on our margins, difficulties in collection of accounts receivable or delayed payments, increased default risks associated with our accounts receivables, slower adoption of new technologies and increased price competition. In addition, deterioration of the global credit markets could adversely impact our ability to complete licensing transactions and services transactions, including maintenance and support renewals. Any of these events, as well as a general weakening of, or declining corporate confidence in the global economy, or a curtailment in government or corporate spending could delay or decrease our revenues and therefore have a material adverse effect on our business, operating results and financial condition.

***13. Our failure to adapt to technological developments or industry trends could affect the performance and features of our products and services, and reduce our attractiveness to our customers.***

As our operations grow in scope and size, whether through offering of new services or expansion into new markets, we must continuously improve, upgrade, adapt and expand our systems and infrastructure to offer our customers enhanced services, features and functionality ahead of rapidly evolving customer demands, while maintaining the reliability and integrity of our systems and infrastructure in a cost-efficient and competitive manner. The systems, infrastructure and technologies we currently employ may become obsolete or be unable to support our increased size and scale. Even if we are able to maintain, upgrade or replace our existing systems or innovate or customize and develop new technologies and systems, we may not be as quick or efficient as our competitors in upgrading or replacing our systems. We may be unable to devote adequate financial resources or obtain sufficient financing on commercially acceptable terms in time, or at all, which may have a material adverse effect on our business, prospects, results of operation and financial condition. For further details regarding our business, please refer to chapter titled “Our Business” beginning on Page 88 of this Draft Prospectus.

**14. Increases in manpower cost for IT professionals could reduce our cash flows and profit margins.**

Historically, manpower costs in the Indian IT services industry have been significantly lower than manpower costs in developed countries for comparable skilled technical personnel, which has been one of India's competitive strengths. However, manpower cost increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. In the long term, wage increases may make us less competitive unless we are able to continue increasing the efficiency and productivity of our professionals and the quality of our services and the prices we can charge for our products and services. Increases in wages, including an increase in the cash component of our compensation expenses, may reduce our cash flows and our profit margins and have a material adverse effect on our business, financial conditions and results of operations. For further details regarding our human resource, please refer to chapter titled "Our Business" beginning on Page 88 of this Draft Prospectus.

**15. We have entered into and may enter into related party transactions in the future also.**

Our Company and our Subsidiary Company has in the course of our business entered into, and will continue to enter into, transactions with related parties. Our Company has entered into several related party transactions with our Promoters and promoter group including in relation to reimbursements, loans and salary etc. For more information regarding our related party transactions, see Annexure J and 10 – Statement of Related Party Transactions" under chapter titled "Financial Information of our Company" beginning on page 129 of this Draft Prospectus. We cannot assure you that we will receive similar terms in our related party transactions in the future. Further we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties and such transactions, individually or in the aggregate, will not have an adverse effect on our reputation, cash flows, business, results of operations and financial condition.

**16. We have experienced negative cash flows in the past. Any such negative cash flows in the future could affect our business, results of operations and prospects.**

Our Company had reported certain negative cash flows from our investing activities and financing activities in the previous years as per the Restated Standalone Financial Statements and the same are summarized as under:

Particulars	For the year ended March 31,		
	2020	2019	2018
Cash flow from Operating Activities	103.10	28.61	22.30
Cash flow from Investing Activities	(102.10)	(19.30)	(19.73)
Cash flow from Financing Activities	--	(14.58)	--

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may affect our business and financial operations. For further please refer chapter titled Financial Information of our Company" beginning on Page 129 of this Draft Prospectus.

**17. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.**

We have declared & paid cash dividends on our Equity Shares in past. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. As on date, our Company has not adopted any formal dividend policy. For further please refer chapter titled "Dividend Policy" beginning on Page 128 of this Draft Prospectus.

We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

***18. We utilize the services of certain consultants for our operations. Any deficiency or interruption in their services could adversely affect our business operations and reputation.***

We engage third party consultants from time-to-time for certain of our services and development of our products. Our ability to control the manner in which services are provided by third party consultants is limited and we may be liable legally or suffer reputational damage on account of any deficiency of services on part of such consultants. We cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from our third-party consultants. Any disruption or inefficiency in the services provided by our third party consultants could interrupt our business operations and damage our reputation. For further details of our business, please refer chapter titled “Our Business” beginning on Page 88 of this Draft Prospectus.

***19. Our Promoters and Executive Directors hold Equity Shares in our Company and are therefore interested in the Company’s performance in addition to their remuneration and reimbursement of expenses.***

Our Promoters and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For further information on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see “Our Management” and “Our Promoters and Promoter Group” on pages 111 and 123, respectively of this Draft Prospectus.

***20. We have had certain inaccuracy in relation to regulatory filings and our company has made non-compliances of certain provision under applicable law. We cannot assure you that our Company will not be subjected to any liability on account of such non-compliance and discrepancies.***

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all applicable statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. For instance, our Company has violated section 15(1) of Companies Act, 2013 in respect noting that should made on alteration in memorandum or articles of a company at the time of filing the forms in Registrar of Companies. In addition, the interest of one of our Promoter was advertently not shown in incorporation forms filed with Registrar of Companies. Also our Company has violated the provision of section 152(4) of Companies Act, 2013 in respect of appointment one of Director in the year 2014. Further our Company may have not complied with some Accounting Standard for instance, Accounting Standards 3 & 15. Also our company has issued shares to Promoters by converting their outstanding balance in Company and some of Roc forms are belated filed with requisite late fees. Further there has been certain clerical errors in the details of meetings, promoters and category of capital entered in forms MGT-7 filed under Section 92 of the Companies Act, 2013 filed our Company in past years. Although no show cause notice have been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its directors, in which event the financials of the Company and its directors may be affected

***21. We have historically sold a significant majority of our products to customers in five verticals. Rapid changes or consolidation in these verticals could affect the level of demand for our products.***

We have historically derived a significant portion of our revenue from customers in top five verticals such as Services, E-commerce, Healthcare, Power utility and Telecom, and sales in these verticals continue to be important for our future growth. In fiscals 2020, our total revenue from customers in these verticals was approximately to 79%, of our revenue from operations.

Any slowdown in these verticals may result in the reduction, postponement or consolidation of IT spending by our customers, contract terminations, deferrals of projects or delays in IT procurement, any of which, may adversely affect our business, financial condition and results of operation. Further, increased regulation or other regulatory changes affecting these verticals may lead to a decrease in demand for our products and services.

The level of demand for our products and services from customers in these verticals may be affected by various other factors, whether general or industry-specific, which are beyond our control but may adversely affect our business, operating results, and financial condition. For further details of our business, Please refer to chapter titled “Our Business” beginning on Page 88 of this Draft Prospectus.

***22. We have not entered into any long term contracts with our customers, hence termination of service may have an adverse impact on our business and financial operations.***

Our services are sold through specific requirement of our customer and we have not entered into any long term contracts with any of our customers for providing our product and services. Each of our applications and software is customized to the requirements of our customers. Although we have placed strong emphasis on performance, adherence to scheduled timelines set by our customers and meeting their quality requirements, any change in their buying strategy could result in termination of service and could materially or adversely affect our business, profits and results of operations. For further details of our business, Please refer to chapter titled “Our Business” beginning on Page 88 of this Draft Prospectus.

***23. We depend on our executive officers and other key employees and the loss of one or more of these employees or an inability to attract and retain highly skilled employees could harm our business.***

Our success depends largely upon the continued services of our executive officers and key employees. We rely on our leadership team and other key employees in the areas of strategy, operations, security, marketing, IT, support and general and administrative functions. The loss of one or more of our executive officers or key employees could harm our business growth & our result of operations.

In addition, in order to execute our growth plan, we must attract and retain highly qualified personnel. We have from time to time experienced, and we expect to continue to experience, difficulty hiring and retaining employees with appropriate qualifications. Our success is dependent, in large part, on our ability to keep our supply of skills and resources in balance with client demand and our ability to attract and retain personnel with the knowledge and skills to lead our business. Experienced personnel in our industry are in high demand, and competition for talent is intense. We must hire, retain and motivate appropriate numbers of talented people with diverse skills in order to serve clients, respond quickly to rapid and ongoing technology, industry and macroeconomic developments and grow and manage our business. If we are unable to hire talented engineering personnel, we may be unable to scale our operations or release new services on time and, as a result, customer satisfaction with our services may decline. If there is increase in demand for outsourcing services, we may not be able to develop and deliver the services and solutions to fulfil client demand. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business, results of operations and financial condition could be harmed. For further details of our executive officers and Key managerial person, please refer to chapter titled “Our Management” beginning on Page 111 of this Draft Prospectus.

***24. Our marketing and advertising campaigns may not be successful in increasing the popularity of our products and offerings. If our marketing initiatives are not effective, this may adversely affect our business and results of operations.***

Our revenues are influenced by our marketing plans including advertising. If we adopt unsuccessful marketing and advertising campaigns, we may fail to attract new customers or retain existing customers. If our marketing and advertising strategies are unsuccessful, our business and results of operations could be materially adversely affected. In addition the support of our employees is also critical for the success of our marketing programmes, such as local marketing and any new strategic initiatives we seek to undertake. While we can mandate certain strategic initiatives, we need the active support of our employees if the implementation of these initiatives is to be successful. The failure of our employees to support our marketing programmes and strategic initiatives could adversely affect our ability to implement our business strategy and harm our business, financial condition, results of operations and prospects.

In addition, increased spending by our competitors on advertising and promotion or an increase in the cost of advertising in the markets in which we operate, could adversely affect our results of operations and financial condition. Moreover, a material decrease in our funds earmarked for marketing and advertising or an ineffective advertising campaign relative to that of our competitors, could also adversely affect our business and results of operations. For further details of our business, Please refer to chapter titled “Our Business” beginning on Page 88 of this Draft Prospectus.

***25. Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.***

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

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;



- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters
- prevailing regional or global economic conditions, including in India's principal export markets; and
- Other significant regulatory or economic developments in or affecting India or its IT sector.

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

***26. We face foreign exchange risks that could affect our results of operations.***

Since our complete sales is outside India i.e. Export sales so that our revenue from operations are effected by foreign exchanges fluctuations. Because of our foreign currency exposures, exchange rate fluctuations, can have a material impact on our results of operations, cash flows and financial condition. The exchange rate between the Indian Rupee and U.S. dollar has been volatile in recent periods and may continue to fluctuate in the future.

Fluctuations in the exchange rates may affect us to the extent of our sales. Our Company may enter into certain contracts to hedge exchange rate fluctuations which may or may not adequately cover the potential loss that may arise as a result of such foreign exchange transactions. Moreover, these hedges do not cover all such exposures and are in any event subject to their own risks, including counterparty credit risk. Adverse moves in exchange rates that we have not adequately hedged may impact our profitability and financial condition.

For further details of our financial statements, please refer to the chapter titled "Financial Information of our Company" on page 129 of this Draft Prospectus.

***27. We do not own any of the properties from which we operate. If we are unable to renew our current leases or if we renew them on terms which are detrimental to our Company, we may suffer a disruption in our operations or increased relocating costs, or both, which could adversely affect our business, results of operations, cash flows and financial condition.***

We lease/license properties for our operations, including our registered office in Delhi and corporate office space in Noida. There is no guarantee that these leases/licenses will be renewed or extended once their term is complete. If we are unable to renew or extend our current leases/licenses, or if we renew or extend them on terms which are detrimental to us, we may suffer a disruption in our operations or increased relocating costs, or both, which could adversely affect our business, results of operations, cash flows and financial condition. In addition our rent agreement dated April 01, 2020 for registered office is not on stamp paper due to prevailing conditions of lock-down, the same will be executed on stamp paper after resuming the normal situations. Also our registered office is shared with our Subsidiary Company i.e. Kartik Solutions Private Limited. For further details regarding our leased premises, please refer to chapter titled "Our Business" beginning on Page 88 of this Draft Prospectus.

***28. We have issued Equity Shares during the last one year at a price that may be below the Issue Price. Furthermore, the average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue Price.***

During the last one year we have issued Equity Shares at a price that may be lower than the Issue Price. Furthermore, our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price as may be decided by the Company, in consultation with the LM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters "Capital Structure" beginning on page 56 of this Draft Prospectus.

***29. We are a company with limited operating history, and therefore investors may not be able to assess our prospects on the basis of historical results.***

We were incorporated as a Private limited company in July, 2014. As we do not have significant operating and financial history, it may be difficult to evaluate our current or future prospects on the basis of historical results. Our past performance should not be construed as an indication of our future performance. For details regarding to business and financial Information, please refer to Chapter titled "Our Business" and "Financial Information of our Company" on page 88 and 129 of this Draft Prospectus.



***30. Our software products and services may contain coding, manufacturing or configuration errors or other defects that could harm our reputation, be expensive to correct, delay revenues, and expose us to litigation.***

Our software products and services are fairly complex. Despite testing prior to the release and throughout the lifecycle of a product or service, our products may sometimes contain coding or errors that can impact their function, performance and security, and result in other negative consequences. This includes third party software products or services incorporated into our own software products.

Errors may be found in new software products or services or improvements to existing products or services after delivery to our customers. If these defects are discovered after the release of such products to our customers, we may not be able to successfully correct such errors in a timely manner. In addition, despite the extensive tests we conduct on all our software products and services, we may not be able to fully simulate the environment in which our products and services will operate in the customers' ecosystem, and, as a result, we may be unable to adequately detect the design defects or software errors which may become apparent only after the products are used in an end-user's environment, and users have transitioned to our services. The occurrence of errors, defects and failures in our software products and services could result in the delay or the denial of market acceptance of our products and alleviating such errors and failures may require us to incur significant expenditure.

Customers often use our services for critical business processes and as a result, any defect or disruption in our products and solutions, any data breaches or misappropriation of proprietary information, or any error in execution, including human error or third-party activity such as denial of service attacks or hacking, may harm our quality. The errors in or failure of our software products and services could also result in us losing customer transaction documents and other customer files, causing significant customer dissatisfaction and possibly giving rise to claims for monetary damages and litigations. The harm to our reputation resulting from such product and service errors and failures may be materially damaging. For further details of our business, Please refer to chapter titled "Our Business" beginning on Page 88 of this Draft Prospectus.

***31. If we are unable to protect our intellectual property against third party infringement or are found to infringe on the intellectual property rights of others, it could have a material adverse effect on our business, results of operations and financial condition.***

We cannot guarantee that our registered intellectual property rights or our know-how, or claims thereto, will now or in the future successfully protect what we consider to be the intellectual property underlying our products and services, or that our rights will not be successfully opposed or otherwise challenged. We also cannot guarantee that each application filed with respect to any new technology will be approved. To the extent that our innovations, products and names services are not protected by trademarks or other intellectual property rights, third parties, including competitors, may be able to commercialize our innovations or products or use our know-how. Additionally, we may in the future face claims that we are infringing the intellectual property rights of others. If any of our application and software are found to infringe the trademarks or other intellectual property rights of others, our sale of product and service could be significantly restricted or prohibited and we may be required to pay substantial damages or on-going licensing fees. If we are unable to protect our intellectual property rights or are found to infringe on the intellectual property rights of others, it could have a material adverse effect on our business, results of operations and financial condition. Also our domain is registered on name of our Promoter i.e., Mr. Ratan Kumar Srivastava and our company has entered into assignment agreement. For further details regarding our registered trademark and domain, please refer to chapter titled "Government and other Approvals" beginning on Page 199 of this Draft Prospectus.

***32. We will continue to be controlled by our Promoters and Promoter Group after the completion of the Issue, which will allow them to influence the outcome of matters submitted for approval of our shareholders.***

As on the date of this Draft Prospectus, our Promoters and Promoter Group hold 93.33% of the issued and outstanding paid-up share capital of our Company. Following the completion of the Issue, our Promoters and Promoter Group will continue to hold together 68.02% of our post-Issue Equity Share capital. As a result, they will have the ability to influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association, and any other business decisions. We cannot assure you that our Promoters and Promoter Group will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further details regarding our shareholding, please refer to chapter titled "Capital Structure" beginning on Page 56 of this Draft Prospectus.

**33. *The future operating results are difficult to predict and may fluctuate or adversely vary from the past performance.***

The company's operating results may fluctuate or adversely vary from past performances in the future due to a number of factors, many of which are beyond the company's control. The results of operations during any financial year or from period to period may differ from one another or from the expected results operation. Its business, results of operations and financial condition may be adversely affected by, inter alia, a decrease in the growth and demand for the products and services offered by the us or any strategic alliances which may subsequently become a liability or non-profitable. Due to various reasons including the above, the future performance may fluctuate or adversely vary from our past performances and may not be predictable. For further details of our operating results, section titled "Financial Information of our Company" beginning on Page 129 of this Draft Prospectus.

**34. *Any failure to retain and attract additional skilled employees, particularly engineering and technical personnel, could have a material adverse effect on our business, financial condition and results of operations.***

Our success depends in part on our ability to retain and attract additional skilled employees, particularly engineering and technical personnel. Without a sufficient number of skilled employees, our company cannot operate. Competition for qualified technical personnel with established customer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. Any failure to retain and attract additional skilled technical or sales personnel could have a material adverse effect on our business, financial condition and results of operations. For further details of our business, Please refer to chapter titled "Our Business" beginning on Page 88 of this Draft Prospectus.

**35. *Our Subsidiary Company and our Promoter Group Companies are engaged in the line of business similar to our Company. There are no non - compete agreements between our Company and Subsidiary Company & Promoter Group Companies. We cannot assure that our Promoters will not favour the interests of such Entities over our interest or that the said entities will not expand which may increase our competition, which may adversely affect business operations and financial condition of our Company.***

Our Subsidiary Company i.e Kartik Solutions Private Limited and our Promoter Group Companies i.e Ksolves Technology Private Limited & Ksolves LLC is engaged in the similar line of business of IT and IT enabled Services as of our Company. Further, we have not entered into any non-compete agreement with any of our said entities. We cannot assure that our Promoters who have common interest in said entities will not favour the interest of the said entities As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Subsidiary Company & Promoter Group Companies in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other companies in which our Promoters have interests. There can be no assurance that our Promoters or our Subsidiary Company & Promoter Group Companies or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to "Common Pursuits" under chapter titled "Our Promoter and Promoter Group" on Page 123 of this Draft Prospectus.

**36. *Our continued success is dependent on our Promoters, senior management and skilled manpower. Our inability to attract and retain key personnel or the loss of services of our Promoter or Managing Director may have an adverse effect on our business prospects.***

Our Promoter, Managing Director and senior management have significantly contributed to the growth of our business, and our future success is dependent on the continued services of our senior management team. Our Managing Director Mr. Ratan Kumar Srivastava has been employed with our Company since our incorporation and he is having vast experience in IT Industry which turn out beneficial for the Company. Also the critical decision in our Company are taken by Promoters which make dependent on Promoters. An inability to retain any key managerial personnel may have an adverse effect on our operations. Our ability to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also not be unable to compete with other larger companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of any of the members of our senior management team, our whole time directors or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

The success of our business is also dependent upon our ability to hire, retain, and utilize qualified personnel, including engineers, and corporate management professionals who have the required experience and expertise. From time to time, it may be difficult to attract and retain qualified individuals with the requisite expertise and we may not be able to satisfy the demand from customers for our services because of our inability to successfully hire and retain qualified personnel. For every new service we expand into, we require suitably skilled personnel.

For further details of our employees and Key Managerial Persons, Please refer chapter titled “Our Business” and “Our Management” beginning on Page 88 & 111 of this Draft Prospectus.

***37. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an effect on our business, results of operations and financial condition.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves focusing on Optimal Utilization of Resources and to developed relationships with customer. Also company is maintaining good relationship with customers due to which demand is continuously growing. However, given the stiff competition, the ability of company to maintain the margins would be critical. For further details, see the section titled “Our Business” on page 88 of this Draft Prospectus. Our success in implementing our growth strategies may be affected by:

- Our ability to identify new markets to expand;
- Our ability to maintain the quality of our service;
- Changes in the Indian regulatory environment in field of Information Technology.

There can be no assurance that we will be able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could impact our results of operations. We cannot assure you that we will not face any time or cost overruns in respect of implementation of our strategies in the future. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and implement our growth strategy could have effect on our business, financial condition and profitability.

***38. We have not independently verified certain data in this Draft Prospectus.***

We have not independently verified data from the Industry and related data contained in this Draft Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect 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, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

***39. We are subject to the risk of failure of, or a material weakness in, our internal control systems.***

We are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. Given our high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material effect on our business, financial condition and results of operations.

***40. We are susceptible to risks relating to unionization of our employees employed by us.***

We cannot assure you that our employees will not unionize, or attempt to unionize in the future, that they will not otherwise seek higher salary and enhanced employee benefits. We also cannot assure you that we will not experience disruptions in our work due to disputes or other problems with our workforce. If not resolved in a timely manner, these risks could limit our ability to provide our services to our clients, cause clients to limit their use of our services or result in an increase in our cost of employee benefits and other expenses. If any of these risks materialize, our business, results of operations and financial condition could be affected.

***41. Our international sales and operations subject us to additional risks that can adversely affect our results of operations.***

We derive our 100% revenues from our business operations outside India. Compliance with international laws and regulations that apply to our international operations may increase our cost of doing business in such foreign jurisdictions. These laws and regulations include local laws which may include stricter data privacy requirements, tax laws, intellectual property laws, anti-competition regulations, foreign currency and trade restrictions. Violations of these laws and regulations could result in fines,

criminal sanctions against us, our officers or our employees, prohibitions on the conduct of our business, as well as default under our contracts with customers. For details of our turnover, please refer section titled “Financial Information of our Company” beginning on Page 129 of this Draft Prospectus.

Compliance with these laws requires a significant amount of management attention and effort, which may divert management’s attention from managing our business operations and growth strategy, and increase our expenses as we engage specialised or other additional resources to assist us with our compliance efforts. Our success depends, in part, on our ability to anticipate these risks and manage these difficulties.

In addition, we may not possess the same familiarity with the economy, customer preferences, commercial operation and distribution network in some of the markets where propose to expand our operations. Further, expanding our geographical footprint poses risks and potential costs such as failure to attract a sufficient number of customers, or to anticipate competitive conditions that are different from those in our existing markets, and significant marketing and promotion costs, among others. We may face the risk that our competitors and the established players in such geographies may enjoy better brand visibility, and may be more experienced in such markets and they may enjoy better relationships with channel partners and customers, gain early access to information regarding attractive marketing opportunities and be better placed to launch software products or services with other advantages of being a first mover.

Further, our expansion plans could be delayed or abandoned, and we may incur additional expenditure for execution than anticipated, and may divert our resources, including our management’s attention, from other aspects of our business. Consequently, it may place a strain on our management, operational and financial resources, as well as our information systems, any of which could impact our competitive position and reduce our revenue and profitability. There can be no assurance that we will be able to effectively manage our expansion into new international markets.

***42. The present promoters of the Company are first generation entrepreneurs.***

Our present Promoters are first generation entrepreneur. Their experience in managing and being instrumental in the growth of our Company is limited to the extent of their knowledge and experience and we cannot assure that this will not affect our business growth. Although our Promoter Director, Ratan Kumar Srivastava have vast experience of around 15 years in the Information Technology. For further details of our Director, Please refer chapter titled “Our Management” beginning on Page 111 of Draft Prospectus.

***43. Our Company has not taken any insurance which may expose our company from potential losses to which we may be subject to risk and this may have a material effect on our business and financial condition.***

While our IT systems, policies and procedures have proved to be adequate in the past, we cannot assure you that they will always be effective or that we will always be successful in monitoring or evaluating the compliance risks in the future, to which we are or may be exposed as our Company has not taken any insurance policy related to our corporate office and for keyman Insurance policy of our Company. Any unforeseen situation or any liability will not compensate due to absence of Insurance policy. Further, our business involves risks and hazards which may adversely affect our profitability, including failure of systems and employee frauds. We cannot assure you that the operation of our business will not be affected by any of the incidents and hazards listed above or by other factors.

In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an effect on our business, results of operations, financial condition and cash flows.

***44. If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.***

We benefit from certain general tax regulations and incentives that accord favourable treatment to certain of our operations as well as for our activities. These tax benefits include income tax deductions and other taxes. For details regarding income tax deductions, please refer to the chapter “Statement of Special Tax Benefits” on page 75 of this Draft Prospectus.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits. The reduction or termination of our tax incentives, or non-compliance with the

conditions under which such tax incentives are made available, will increase our tax liability and affect our business, prospects, results of operations and financial condition.

***45. The unsecured loan availed by our Subsidiary Company from our Promoter maybe recalled at any given point of time.***

Our Subsidiary Company has been availing unsecured loans from our Promoter from time to time. The total outstanding payable to them as on March 31, 2020 amounting to Rs. 3.00 Lacs. Although there are no terms and condition prescribed for repayment, this outstanding loan which can be recalled at any given point of time during ordinary course of business and thus may affect the business operations and financial performance of our Subsidiary Company.

For further details regarding loans availed by our Subsidiary Company, please refer “Restated Consolidated Financial Statement” on page no. 153 of this Draft Prospectus.

***46. Any Penalty or demand raise by statutory authorities in future will affect our financial position of the Company.***

Our Company is mainly engaged in business of IT & IT enabled Services which attracts tax liability such as Income tax & Goods and Service Tax and other applicable provision of the Acts. However, the Company has been depositing the return under above applicable acts but any demand or penalty raise by concerned authority in future for any previous year and current year will affect the financial position of the Company. For detail, please refer “Outstanding Litigation and Material Development” beginning on page 195 of this Draft Prospectus. Any such penalty arising in future may lead to financial loss to our Company.

***47. We have not identified any alternate source of raising the working capital mentioned as our ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

Our Company has not identified any alternate source of funding for our working capital requirement and for general corporate purposes and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may require our Company to borrow funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the Company.

For further details of our Object for the Issue, Please refer chapter titled “Object for the Issue” beginning on Page 67 of this Draft Prospectus.

***48. Our Company’s management will have flexibility in utilizing the Net Proceeds from the Issue. The deployment of the Net Proceeds from the Issue is not subject to any monitoring by any independent agency.***

Our Company intends to primarily use the Net Proceeds towards working capital requirement and for general corporate purposes as described in “Objects of the Issue” on page 67 of this Draft Prospectus. In terms of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company’s management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

***49. Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Issue, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Issue Price or at all.***

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is determined considering various financials



factors of the Company and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Prospectus. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment

***50. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities may differ from those that would apply to a company in another jurisdiction. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other jurisdictions. Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such pre-emptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution. If you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interest in our Company would decline.

***51. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares has been determined on the basis of the Fixed Price Issue. This price is based on numerous factors. For further information, see "Basis for Issue Price" beginning on page 72 of this Draft Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

***52. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

***53. The requirements of being a listed company may strain our resources and distract management.***

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur additional legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI Listing Regulation, 2015 which would require us to file audited annual and unaudited semi-annual and limited review reports with respect to our business and financial condition. If we delay

making such filings, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

***54. We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

Our growth is dependent on having a balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

## **EXTERNAL RISK FACTORS**

***55. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our payers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

***56. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.



**57. *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association and Indian laws govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a bank or corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction.

**58. *Our business and activities may be further regulated by the Competition Act and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, financial condition and results of operations.***

The Competition Act seeks to prevent business practices that have or are likely to have an appreciable adverse effect on competition in India and has established the Competition Commission of India (the "CCI"). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls the production, supply or distribution of goods and services, or shares the market or source of production or providing of services by way of allocation of geographical area or type of goods or services or number of customers in the relevant market or in any other similar way, is presumed to have an appreciable adverse effect on competition and shall be void. Further, the Competition Act prohibits the abuse of a dominant position by any enterprise. If it is proven that a breach of the Competition Act committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the breach themselves and may be punished as an individual. If we, or any of our employees are penalized under the Competition Act, our business may be adversely affected. Further, the Competition Act also regulates combinations and requires approval of the CCI for effecting any acquisition of shares, voting rights, assets or control or mergers or amalgamations above the prescribed asset and turnover based thresholds.

On March 4, 2011, the Government of India notified and brought into force new provisions under the Competition Act in relation to combined entities (the "Combination Regulation Provisions"), which came into effect from June 1, 2011. The Combination Regulation Provisions require that any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, must be notified to and preapproved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (as amended). These regulations, as amended, set out the mechanism for the implementation of the Combination Regulation Provisions under the Competition Act.

**59. *The Indian tax regime is currently undergoing substantial changes which could adversely affect our business.***

The goods and service tax ("GST") that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments.

As regards the General Anti-Avoidance Rules ("GAAR"), The general anti avoidance rules ("GAAR") provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

**60. *You may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position.***

Under the Companies Act, a company incorporated in India must offer its shareholders pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the shares who have voted on the resolution, or unless the company has obtained approval from the Government of India to issue without such special resolution, subject to votes being cast in favour of the proposal exceeding the votes cast against such proposal. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without our Company filing an offering document or a registration statement with the applicable authority in the jurisdiction you are in, you will be unable to exercise your pre-emptive rights unless our Company makes such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interest in our Company would be reduced.

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

We currently operate only in India and are dependent on domestic, regional and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent on the IT industry of the Indian economy. There have been periods of slowdown in the economic growth of India. For instance, the present situation of lock-down is prevailing in India due to pandemic Covid-19 spread in India and all other parts of world. If such condition prevail for longer time the Demand for our products & services may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is also affected by various other factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**62. *Companies in India are required to prepare financial statements under the new Indian Accounting Standards. In addition, all income-tax assessee in India will be required to follow the Income Computation and Disclosure Standards.***

The Ministry of Corporate Affairs ("MCA"), Government of India, has through notification dated February 16, 2015 issued the Indian Accounting Standards Rules, 2015 ("Ind AS") which have come into effect from April 1, 2015 and are applicable to companies which fulfill certain conditions. Further, there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations.

Further, the Ministry of Finance, Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for computation of taxable income. The ICDS shall apply from the assessment year 2017-2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

**63. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our financial statements are prepared and presented in conformity with Indian GAAP. No attempt has been made to reconcile any of the information given in this document to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

**64. Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.**

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

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- Any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its ER&D sector; international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;

**65. Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.**

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging Asian market countries. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. In recent times, the Indian financial markets had been negatively affected by the volatility in global financial market, including on account of certain European nations' debt troubles and move to break away by the United Kingdom from the European Union. Although, economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. Dollar owing to, amongst other, the announcements by the U.S. government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Liquidity and credit concerns and volatility in the global credit and financial markets have increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major U.S. and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

**66. A significant change in the Government of India's economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.**

The Government of India has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Unfavourable government policies including those relating to the internet and e-commerce, consumer protection and data-privacy, could adversely affect business and economic conditions in India, and could also affect our ability to implement our strategy and our future financial performance. Since 1991, successive governments, including coalition governments, have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector and encouraging the

development of the Indian financial sector. However, the members of the Government of India and the composition of the coalition in power are subject to change. As a result, it is difficult to predict the economic policies that will be pursued by the Government of India. For example, there may be an increasing number of laws and regulations pertaining to the internet and ecommerce, which may relate to liability for information retrieved from or transmitted over the internet or mobile networks, user privacy, content restrictions and the quality of services and products sold or provided through the internet. The rate of economic liberalization could change and specific laws and policies affecting the financial services industry, foreign investment, currency exchange and other matters affecting investment in our securities could change as well. Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

## SECTION IV – INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS</b>	
<b>Equity Shares Issued:</b> Public Issue of Equity Shares by our Company	4,02,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 100/- per share aggregating to ₹ 402.00 Lakhs
<i>of which</i>	
<b>Issue Reserved for the Market Makers</b>	20,400 Equity Shares of ₹ 10/- each for cash at a price of ₹ 100/- per share aggregating ₹ 20.40 Lakhs
<b>Net Issue to the Public*</b>	3,81,600 Equity Shares of ₹ 10/- each for cash at a price of ₹ 100/- per share aggregating ₹ 381.60 Lakhs
	<b>of which</b>
	1,90,800 Equity Shares of ₹ 10/- each for cash at a price of ₹ 100/- per share (including a premium of ₹ 90.00 per Equity Share) will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs
	1,90,800 Equity Shares of ₹ 10/- each for cash at a price of ₹ 100/- per share (including a premium of ₹ 90.00 per Equity Share) will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lacs
<b>Equity Shares outstanding prior to the Issue</b>	10,80,000 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	14,82,000 Equity Shares of face value of ₹10 each
<b>Objects of the Issue/ Use of Issue Proceeds</b>	Please see the chapter titled “Objects of the Issue” on page 67 of this Draft Prospectus

*Fresh Issue of 4,02,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution passed by our Board of Directors dated April 28, 2020 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Annual General Meeting of the members held on April 29, 2020*

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled “Issue Related Information” beginning on page 212 of this Draft Prospectus

\*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, the present issue is a fixed price issue ‘the allocation’ is the net issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - i. Individual applicants other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

For further details, please refer to the chapter titled “Issue Structure” beginning on page 218 of this Draft prospectus.

## SUMMARY OF FINANCIAL INFORMATION

### Restated Standalone Statement of Assets and Liabilities

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March		
			2020	2019	2018
<b>A.</b>	<b>Equity and Liabilities</b>				
<b>1</b>	<b>Shareholders' Funds</b>				
	Share Capital	<b>A.1</b>	2.00	2.00	1.00
	Reserves & Surplus	<b>A.2</b>	84.79	17.60	20.51
	<b>Share application money pending allotment</b>		-	-	-
<b>2</b>	<b>Non-Current Liabilities</b>				
	Long-Term Borrowings		-	-	-
	Other Non-Current Liabilities		-	-	-
	Long-Term Provisions		-	-	-
	Deferred Tax Liabilities (Net)	<b>A.3</b>	0.85	0.50	0.40
<b>3</b>	<b>Current Liabilities</b>				
	Short Term Borrowings		-	-	-
	Trade Payables :	<b>A.4</b>			
	(A) total outstanding dues of micro enterprises and small enterprises; and		5.40	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]		14.73	-	-
	Other Current Liabilities	<b>A.5</b>	36.16	43.30	26.84
	Short Term Provisions	<b>A.6</b>	22.25	5.68	4.33
	<b>Total</b>		<b>166.19</b>	<b>69.08</b>	<b>53.09</b>
<b>B.</b>	<b>Assets</b>				
<b>1</b>	<b>Non-Current Assets</b>				
	Property, Plant and Equipment				
	Tangible Assets	<b>A.7</b>	51.12	30.73	22.73
	Intangible Assets		-	-	-
	Non-Current Investments	<b>A.8</b>	53.50	1.00	0.00
	Long Term Loans & Advances	<b>A.9</b>	18.05	5.37	2.28
	Other Non Current Assets		-	-	-
<b>2</b>	<b>Current Assets</b>				
	Current Investments		-	-	-
	Inventories		-	-	-
	Trade Receivables		-	-	-
	Cash and Cash Equivalents	<b>A.10</b>	5.15	4.15	9.42
	Short-Term Loans and Advances	<b>A.11</b>	-	0.19	-
	Other Current Assets	<b>A.12</b>	38.37	27.63	18.66
	<b>Total</b>		<b>166.19</b>	<b>69.08</b>	<b>53.09</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,B & C

### Restated Standalone Statement of Profit And Loss

(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For The Year Ended 31st March		
			2020	2019	2018
<b>A.</b>	<b>Revenue:</b>				
	Revenue from Operations	<b>B.1</b>	814.10	541.79	340.43
	Other income	<b>B.2</b>	0.41	0.83	0.41
	<b>Total revenue</b>		<b>814.51</b>	<b>542.62</b>	<b>340.85</b>
<b>B.</b>	<b>Expenses:</b>				
	Employees Benefit Expenses	<b>B.3</b>	481.74	313.09	205.68
	Finance costs		-	-	-
	Depreciation and Amortization	<b>B.4</b>	16.94	8.04	3.81
	Other expenses	<b>B.5</b>	226.05	200.01	121.65
	<b>Total Expenses</b>		<b>724.73</b>	<b>521.14</b>	<b>331.14</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>89.78</b>	<b>21.48</b>	<b>9.70</b>
	Exceptional Items		-	-	-
	<b>Profit before extraordinary items and tax</b>		<b>89.78</b>	<b>21.48</b>	<b>9.70</b>
	Extraordinary items		-	-	-
	<b>Profit before tax</b>		<b>89.78</b>	<b>21.48</b>	<b>9.70</b>
	<b>Tax expense :</b>				
	Current tax		22.23	5.55	4.33
	Deferred Tax	<b>B.6</b>	0.35	0.10	(0.13)
	Profit (Loss) for the period from continuing operations		<b>67.19</b>	<b>15.83</b>	<b>5.50</b>
	<b>Earning per equity share in Rs.:</b>				
	(1) Basic		13.48	3.18	2.20
	(2) Diluted		13.48	3.18	2.20
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities and cash flows appearing in Annexure D,A&C.					



### Restated Standalone Statement of Cash Flows

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March		
	2020	2019	2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/ (Loss) before tax	<b>89.78</b>	<b>21.48</b>	<b>9.70</b>
Adjustments for:			
Depreciation	16.94	8.04	3.81
Prior Period Items	-	-	(0.04)
Interest Income	(0.41)	(0.83)	(0.41)
<b>Operating profit before working capital changes</b>	<b>106.31</b>	<b>28.69</b>	<b>13.05</b>
Movements in working capital :			
(Increase)/Decrease in Loans & Advances	0.19	(0.19)	-
(Increase)/Decrease in Other Current Assets	(10.74)	(8.98)	(12.48)
Increase/(Decrease) in Trade Payables	20.13		
Increase/(Decrease) in Other Current Liabilities	(7.15)	16.46	23.83
<b>Cash generated from operations</b>	<b>108.75</b>	<b>35.99</b>	<b>24.41</b>
Income tax paid during the year	5.65	4.21	2.11
Dividend Distribution Taxes Paid during the year	-	3.17	-
<b>Net cash from operating activities (A)</b>	<b>103.10</b>	<b>28.61</b>	<b>22.30</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale/(Purchase) of Investments	(52.50)	(1.00)	-
Interest Income	0.41	0.83	0.41
Purchase of Fixed Assets	(37.33)	(16.04)	(17.85)
Increase in Other Non-Current Assets/Loans & Advances	(12.68)	(3.09)	(2.28)
<b>Net cash from investing activities (B)</b>	<b>(102.10)</b>	<b>(19.30)</b>	<b>(19.73)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payment of Dividend	-	(15.58)	-
Proceeds from Issue of Capital	-	1.00	-
<b>Net cash from financing activities (C)</b>	<b>-</b>	<b>(14.58)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1.00</b>	<b>(5.27)</b>	<b>2.57</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4.15</b>	<b>9.42</b>	<b>6.85</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5.15</b>	<b>4.15</b>	<b>9.42</b>
<b>Notes:</b>			
<b>1. Component of Cash Flows:</b>			
Cash on hand	<b>0.10</b>	<b>0.01</b>	<b>0.10</b>
Balance with Banks	<b>5.05</b>	<b>4.14</b>	<b>9.32</b>
2. Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non- cash nature and any deferrals or accruals of past or future cash receipts or payments.			
3. The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses appearing in Annexure D,A,B			

**Restated Consolidated Statement of Assets and Liabilities**

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at March 31, 2020
<b>A.</b>	<b>Equity and Liabilities</b>		
<b>1</b>	<b>Shareholders' Funds</b>		
	Share Capital	<b>1.1</b>	2.00
	Reserves & Surplus	<b>1.2</b>	85.59
<b>2</b>	<b>Minority Interest</b>		-
<b>3</b>	<b>Non-Current Liabilities</b>		
	Long-Term Borrowings	<b>1.3</b>	7.75
	Deferred Tax Liabilities (Net)		-
<b>4</b>	<b>Current Liabilities</b>		
	Short Term Borrowings	<b>1.4</b>	3.00
	Trade Payables :	<b>1.5</b>	
	(A) Total outstanding dues of micro enterprises and small enterprises; and		5.40
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.".]		20.89
	Other Current Liabilities	<b>1.6</b>	50.54
	Short Term Provisions	<b>1.7</b>	34.03
	<b>Total</b>		<b>209.20</b>
<b>B.</b>	<b>Assets</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	Property, Plant and Equipment	<b>1.8</b>	
	Tangible Assets		111.68
	Intangible Assets		5.99
	Non-Current Investments	<b>1.9</b>	1.00
	Deferred Tax Assets	<b>1.10</b>	0.45
	Long Term Loans & Advances	<b>1.11</b>	24.05
	Other Non-Current Assets		-
<b>2</b>	<b>Current Assets</b>		
	Current Investments		-
	Inventories		-
	Trade Receivables		-
	Cash and Cash Equivalents	<b>1.12</b>	5.54
	Short-Term Loans and Advances		-
	Other Current Assets	<b>1.13</b>	60.49
	<b>Total</b>		<b>209.20</b>

**Note:** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure 4,2,3.

**Restated Consolidated Statement of Profit And Loss**

(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For the period March 31, 2020
<b>A.</b>	<b>Revenue:</b>		
	Revenue from Operations	<b>2.1</b>	1013.23
	Other income	<b>2.2</b>	0.41
	<b>Total revenue</b>		<b>1013.64</b>
<b>B.</b>	<b>Expenses:</b>		
	Employees Benefit Expenses	<b>2.3</b>	560.20
	Finance costs	<b>2.4</b>	0.44
	Depreciation and Amortization	<b>2.5</b>	28.93
	Other expenses	<b>2.6</b>	333.24
	<b>Total Expenses</b>		<b>922.81</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>90.83</b>
	Exceptional Items		-
	<b>Profit before extraordinary items and tax</b>		<b>90.83</b>
	Extraordinary items		-
	<b>Profit before tax</b>		<b>90.83</b>
	<b>Tax expense :</b>		
	Current tax		23.51
	Deferred Tax	<b>2.7</b>	(0.67)
	<b>Profit (Loss) for the period from continuing operations</b>		<b>67.99</b>
	<b>Allocated to Non-Controlling Interest - (Transferred to Minority Interest)</b>		<b>-</b>
	<b>Allocated to Owner of Parents (Transferred to Reserve &amp; Surplus)</b>		<b>67.99</b>
	<b>Earning per equity share in Rs.:</b>		
	(1) Basic		13.64
	(2) Diluted		13.64
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, Statement of assets & liabilities and cash flows appearing in Annexure 4,1,3.			

### Restated Consolidated Statement of Cash Flows

(Rs. in Lakhs)

Particulars	For the Period Ended on March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit/ (Loss) before tax	<b>90.83</b>
Adjustments for:	
Depreciation	28.92
Payment of Prior Period Expenses	(0.35)
Adjustment for Non-Cash Items	0.13
Investment Income	(0.41)
Interest Expense	0.44
<b>Operating profit before working capital changes</b>	<b>119.56</b>
Movements in working capital :	
(Increase)/Decrease in Other Current Assets	(14.65)
Increase/(Decrease) in Trade Payables	26.29
Increase/(Decrease) in Other Current Liabilities	(5.18)
<b>Cash generated from operations</b>	<b>126.02</b>
Payment/Adjustment on Account of Tax Expenses	10.46
Payment of Dividend Distribution Tax	4.07
<b>Net cash from operating activities (A)</b>	<b>111.49</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of Property, Plant & Equipments	(55.33)
Addition on account of Goodwill through Consolidation	(5.99)
Investment Income	0.41
Increase in Loans & Advances	(16.66)
<b>Net cash from investing activities (B)</b>	<b>(77.57)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Interest paid on borrowings	(0.44)
Payment of Dividend	(19.80)
Proceeds/(Repayment) of Borrowings	(16.80)
<b>Net cash from financing activities (C)</b>	<b>(37.04)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(3.12)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>8.65</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5.54</b>
<b>Notes:</b>	
<b>1. Component of Cash Flows:</b>	
Cash on hand	<b>0.14</b>
Balance with Banks	<b>5.40</b>
2. Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.	
3. The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses appearing in Annexure 4,1,2	

## **SECTION V – GENERAL INFORMATION**

Our Company was originally incorporated on July 17, 2014 as “Keyon Softwares Private Limited” vide Registration No. 269020/ 2014-2015 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Delhi. Further, our Company has changed its name from “Keyon Softwares Private Limited” to Ksolves India Private Limited” vide Special Resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on September 27, 2014 and a fresh certificate of incorporation dated October 14, 2014 issued by the Registrar of Companies, Delhi. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Ksolves India Private Limited” to “Ksolves India Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on April 25, 2020 and a fresh certificate of incorporation dated April 28, 2020 issued by the Registrar of Companies, Delhi.

For further details, please refer to chapter titled “History and Corporate Structure” beginning on page 107 of this Draft Prospectus.

### **Registered Office of our Company**

#### **Ksolves India Limited**

H.No. B-8/1, Ground Floor,

Saidulajab, South Delhi,

Delhi - 110030, India

**Tel. No.:** +91-83688 69148/ +91-98719 77038/ +91-8533804 374

**E-mail:** [ratan@ksolves.com](mailto:ratan@ksolves.com)

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

**Corporate Identification Number:** U72900DL2014PLC269020

**Reg. No.:** 269020/ 2014-2015

For details relating to changes to the address of our Registered Office, please see “History and Corporate Structure - Changes to the address of the Registered Office of our Company” on page 107 of this Draft Prospectus.

### **Corporate Office of our Company**

#### **Ksolves India Limited**

B-4 Third Floor, Sector 63,

Noida -201301, Uttar Pradesh, India

**Tel. No.:** +91-0120-4163248

**E-mail:** [ratan@ksolves.com](mailto:ratan@ksolves.com)

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

### **Address of Registrar of Companies**

#### **Registrar of Companies, Delhi**

4th Floor, IFCI Tower,

61, Nehru Place,

New Delhi – 110019, India

**Tel No.** +91-011-26235703, 26235708

**Fax No.:** +91-011-26235702

**Email:** [roc.delhi@mca.gov.in](mailto:roc.delhi@mca.gov.in)

**Website:** <http://www.mca.gov.in>

### **Designated Stock Exchange**

#### **National Stock Exchange of India Limited**

Exchange Plaza, Plot no. C/1, G Block,

Bandra – Kurla Complex, Bandra (E)

Mumbai - 400051, Maharashtra, India

Website – [www.nseindia.com](http://www.nseindia.com)

## Board of Directors of our Company

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Ratan Kumar Srivastava	Chairman and Managing Director	J-204, Prateek Laurel, Sector-120, Gautam Buddha Nagar, Noida – 201301, Uttar Pradesh, India	05329338
Mrs. Deepali Verma	Whole Time Director & Chief Financial Officer	J-204, Prateek Laurel, Sector-120, Gautam Buddha Nagar, Noida – 201301, Uttar Pradesh, India	05329336
Mr. Hemant Kumar	Non Executive Independent Director	WZ 300, Naraina Village, Near Post Office, Khaira, South West Delhi, Delhi – 110028, India	07536741
Mr. Veer Pratap Singh	Non Executive Independent Director	B-208, UG-1, Shalimar Garden, Main Sahibabad, Shiv Mandir, Shalimar Garden, Ghaziabad - 201005 Uttar Pradesh, India	08736631
Mr. Arpit Goyal	Non Executive Independent Director	H.NO. 899, Moh- Ram Nagar, Khushi Ram Wali Gali, Gulaothi, Bulandshahr – 245408, Uttar Pradesh, India	08273225

For further details of the Directors of our Company, please refer to the chapter titled “Our Management” on page 111 of this Draft Prospectus.

## Company Secretary and Compliance Officer

### Mr. Dipanshu

B-4 Third Floor, Sector 63,  
Noida -201301, Uttar Pradesh, India

**Tel. No.:** +91-0120-4163248

**E-mail:** [cs@ksolves.com](mailto:cs@ksolves.com)

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

## Chief Financial Officer

Mrs. Deepali Verma

B-4 Third Floor, Sector 63,  
Noida -201301, Uttar Pradesh, India

**Tel. No.:** +91-0120-4163248

**E-mail:** [cfo@ksolves.com](mailto:cfo@ksolves.com)

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

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-Issue or post-Issue related problems such as non-receipt of Intimation for Allotment, credit of allotted Equity Shares in the respective beneficiary account.

All grievances relating to the ASBA process including UPI may be addressed to the Registrar to the Issue, with a copy to the Designated Intermediary with whom the ASBA Form was submitted, giving full name of the sole or First Applicant, ASBA Form number, Applicant's DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of Application Form, address of Applicant, the name and address of the relevant Designated Intermediary, where the Application Form was submitted by the Applicant, ASBA Account number (for Applicants other than RIIs bidding through the UPI mechanism) in which the amount equivalent to the Application Amount was blocked or UPI ID in case of RIIs bidding through the UPI mechanism. Further, the Applicant shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue related queries, and for Redressal of complaints, applicant may also write to the Lead Manager and Company. All complaints, queries or comments received by Stock Exchange shall be forwarded to the Lead Manager, who shall respond to the same

**Details of Key Intermediaries pertaining to this Issue and Our Company:****LEAD MANAGER OF THE ISSUE****SHRENI SHARES PRIVATE LIMITED**

Office No. 102, 1st Floor, Sea Lord CHS, Plot No. 1/B, 1/A,  
Survey No. A-12, Ram Nagar, Borivali (West),  
Mumbai- 400092, Maharashtra, India

**Telephone Number:** +91-22-28088456

**Email Id:** [shrenishares@gmail.com](mailto:shrenishares@gmail.com)

**Investors Grievance Id:** [info@shreni.in](mailto:info@shreni.in)

**Website:** [www.shreni.in](http://www.shreni.in)

**Contact Person:** Mr. Parth Shah

**SEBI Registration Number:** INM000012759

**CIN:** U67190MH2009PTC195845

**LEGAL ADVISOR TO THE ISSUE****ASHA AGARWAL & ASSOCIATES**

30/24/08, Varun Path, Mansorvar  
Jaipur-302020, Rajasthan, India

**Tel No.:** +91- 9950933137

**Email:** [asha.agarwal6@gmail.com](mailto:asha.agarwal6@gmail.com)

**Contact Person:** Ms. Nisha Agarwal

**REGISTRAR TO THE ISSUE****BIGSHARE SERVICES PRIVATE LIMITED**

1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri (East) Mumbai – 400059, Maharashtra, India.

**Telephone:** +91-22-6263 8200

**Facsimile:** +91-22-6263 8280

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Investor grievance email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Contact Person:** Mr. Babu Rapheal

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

**SEBI Registration Number:** INR000001385

**BANKERS TO THE COMPANY****DEUTSCHE BANK AG**

Som Datt Tower, Floor 3  
K-2, Sector 18, Noida, UP, India 201301

**Tel No.:** +91(0120)7141109

**Fax No. –** +91(0120)7141111

**Email:** [kavita.bhasin@db.com](mailto:kavita.bhasin@db.com)

**Website:** [www.deutschebank.co.in](http://www.deutschebank.co.in)

**Contact Person:** Kavita Bhasin

**Designation:** Deputy Branch Operations Service Manager

**STATUTORY AUDITORS & PEER REVIEW AUDITOR OF THE COMPANY****M/S. A Y & COMPANY, Chartered Accountants**

404, Fourth Floor, ARG Corporate Park  
Ajmer Road, Gopal Bari, Jaipur – 302006,  
Rajasthan, India

**Tel No.:** +91 0141-4037257; +91-9649687300

**Email:** [info@aycompany.co.in](mailto:info@aycompany.co.in)



**Contact Person:** Mr. Arpit Gupta  
**Membership No.:** 421544  
**Firm Registration No.:** 020829C  
**Peer Review Registration No. –** 011177\*

\* A Y & Company hold a valid peer review certificate dated July 30, 2018 issued by the Institute of Chartered Accountants of India.

## **BANKERS TO THE ISSUE AND REFUND BANKER/SPONSOR BANK**

[•]

### **STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Since Shreni Shares Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not required.

### **SELF CERTIFIED SYNDICATE BANKS (“SCSBS”) AND SYNDICATE SCSB BRANCHES**

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on [www.sebi.gov.in/pmd/scsb.pdf](http://www.sebi.gov.in/pmd/scsb.pdf) For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

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

### **INVESTORS BANKS OR ISSUER BANKS FOR UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above mentioned SEBI link.

### **REGISTERED BROKERS**

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

### **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time and on SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>

### **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time and SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18>; <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=4>

### **BROKERS TO THE ISSUE**

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

### **CREDIT RATING**

This being an Issue of Equity Shares, credit rating is not required.

## **IPO GRADING**

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

## **DEBENTURE TRUSTEES**

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

## **TRUSTEES**

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

## **MONITORING AGENCY**

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000.00 Lacs.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, 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 Draft Prospectus.

## **APPRAISING ENTITY**

No appraising entity has been appointed in respect of any objects of this Issue

## **FILING OF OFFER DOCUMENT**

Pursuant to Regulation 246(5) of the SEBI (ICDR) Regulations, 2018, the copy of the Draft Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Prospectus in terms of regulation 246(2) of the SEBI ICDR 2018. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018; a copy of the Prospectus will be filed online through SEBI Intermediary portal at [www.siportal.sebi.gov.in](http://www.siportal.sebi.gov.in).

The Draft Prospectus/ Prospectus are being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019, India

## **EXPERTS OPINION**

Except for the reports in the section “Financial Information of our Company” and “Statement of Special Tax Benefits” on page 129 and page 75 of this Draft Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraw the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## UNDERWRITING

The Company and the Lead Manager to the issue hereby confirm that the issue is 100% Underwritten by [●] in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company and Underwriter – [●], the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of Total Issue Size Underwritten
<b>Name:</b> [●] <b>Address:</b> [●] <b>Tel:</b> [●] <b>Email:</b> [●] <b>Website:</b> [●] <b>Contact Person:</b> [●] <b>SEBI Registration No.:</b> [●]	4,02,000 Equity Shares of ₹ 10/- being Issued at ₹ 100/-each	402.00	100.00%

*\*Includes 20,400 Equity shares of Rs.10.00 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.*

As per Regulation 260(2) of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.

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

## CHANGES IN AUDITORS DURING LAST THREE YEARS

Except as disclosed below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Prospectus:

S.No.	Date	From	To	Reason for Change
1.	March 21, 2020	<b>M/s. RSAV &amp; Company.</b> B-1/8, Lan No. 2, Westend Marg, Near Gora Properties, Saidulajab, Delhi – 110030, India <b>Tel No.</b> - +91-011-45566165 <b>Email</b> – <a href="mailto:ca.abhinyaverma@gmail.com">ca.abhinyaverma@gmail.com</a> <b>Firm Reg. No.</b> – 022058N	<b>M/s. A Y &amp; Company</b> 404, Fourth Floor, ARG Corporate Park, Ajmer Road, Gopal Bari, Jaipur – 302006, Rajasthan, India. <b>Tel No.</b> - +91-0141-4037257 <b>Email</b> – <a href="mailto:info@aycompany.co.in">info@aycompany.co.in</a> <b>Firm Reg. No.</b> – 020829C <b>Peer Review No.</b> - 011177	Resignation due to Pre-occupancy

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

<b>Name</b>	[●]
<b>Correspondence Address:</b>	[●]
<b>Tel No.:</b>	[●]
<b>E-mail:</b>	[●]
<b>Website:</b>	[●]
<b>Contact Person:</b>	[●]
<b>SEBI Registration No.:</b>	[●]

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of NSE (NSE EMERGE) and SEBI from time to time
3. The minimum depth of the quote shall be ₹ 1, 00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is 1200 equity shares; however, the same may be changed by the SME Platform of NSE from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
6. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE from time to time.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
8. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
9. 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.
10. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
11. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the

Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

13. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

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 the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

14. **Risk containment measures and monitoring for Market Makers:** NSE SME Exchange will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
15. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by exchange from time to time.
16. **Punitive Action in case of default by Market Makers:** NSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
17. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

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

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

## SECTION VI – CAPITAL STRUCTURE

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

Amount (Rs. in Lacs, except share data)			
Sr. No.	Particulars	Aggregate nominal Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorized Share Capital</b> 16,00,000 Equity Shares having Face Value of Rs 10/- each	160.00	-
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital before the Issue</b> 10,80,000 Equity Shares having Face Value of Rs.10/- each fully paid up before the Issue.	108.00	-
<b>C</b>	<b>Present Issue in terms of the Draft Prospectus</b> 4,02,000 Equity Shares having Face Value of Rs.10/- each with a premium of ₹90/- per Equity Share.	40.20	402.00
	<b>Which Comprises</b>		
<b>I.</b>	<b>Reservation for Market Maker portion</b> 20,400 Equity Shares of Rs. 10/- each at a premium of ₹ 90/-per Equity Share	2.04	20.40
<b>II.</b>	<b>Net Issue to the Public</b> 3,81,600 Equity Shares of Rs.10/- each at a premium of ₹ 90/- per Equity Share	38.16	381.60
	<b>of which</b>		
	1,90,800 Equity Shares of Rs.10/- each at a premium of ₹ 90/- per Equity Share will be available for allocation for allotment to Retail Individual Investors applying for a value of up to Rs. 2.00 Lacs	19.08	190.80
	1,90,800 Equity Shares of Rs.10/- each at a premium of ₹ 90/- per Equity Share will be available for allocation for allotment to Other Investors applying for a value of above Rs. 2.00 Lacs	19.08	190.80
<b>D</b>	<b>Issued, Subscribed and Paid up Equity Share capital after the Issue</b> 14,82,000 Equity Shares having Face Value of ₹ 10/- each	148.20	-
<b>E</b>	<b>Securities Premium Account</b> Before the Issue After the Issue		0.00 361.80*

\*The amount disclosed is prior to deduction of Issue expenses.

The Present Issue of 4,02,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated April 28, 2020 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Annual General Meeting of the members held on April 29, 2020.

### Class of Shares

As on the date of Draft Prospectus Our Company has only one class of share capital i.e. Equity Shares of Rs.10/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

### Details of changes in Authorized Share Capital of our Company:

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

- a) The initial Authorised share capital of our Company was ₹ 1.00 Lakh divided into 10,000 Equity Shares of ₹ 10/- each. This Authorised capital was increased to ₹ 2.00 Lakh divided into 20,000 Equity Shares of ₹ 10/- each pursuant to a resolution passed by our Shareholders in their Extra-Ordinary General Meeting held on July 27, 2018.
- b) The Authorised Capital of our Company of ₹2.00 Lakh divided into 20,000 Equity Shares of ₹10/- each was increased to ₹160.00 Lakh divided into 16,00,000 Equity Shares of ₹10/- each pursuant to a resolution passed by our Shareholders in their Extra-Ordinary General Meeting held on March 21, 2020.



## Notes to Capital Structure

### 1. Equity Share Capital History of our Company:

(a) The history of the equity share capital and the securities premium account of our company are set out in the following table:-

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
On Incorporation*	10,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	10,000	1,00,000	Nil
September 01, 2018 <sup>#</sup>	10,000	10	10	Cash	Further Allotment <sup>(ii) &amp; (iii)</sup>	20,000	200,000	Nil
Variation in rights of equity shares vide special resolution dated March 21, 2020 passed in extra ordinary general meeting for making Series B category of share pari passu to Series A category of share carrying voting rights.								
April 23, 2020 <sup>^</sup>	1,00,000	10	101	Cash	Right Allotment <sup>(iv)</sup>	1,20,000	12,00,000	91,00,000
April 24, 2020 <sup>#</sup>	9,60,000	10	--	Other than Cash	Bonus Issue <sup>(v)</sup>	10,80,000	1,08,00,000	Nil

\* The Shares was subscribed to Initial Subscriber to Memorandum of Association on July 17, 2014.

# Issue of 6,000 Equity Shares of Series A Category carrying voting rights and 4,000 Series B Category carrying no voting rights.

<sup>^</sup> The company has issued 1,00,000 Equity Shares through Right Issue.

\$ Bonus issue of 9,60,000 equity shares in the ratio of 8:1 dated April 24, 2020 has been issued by Capitalization of Reserve & Surplus of the Company.

All the above mentioned shares are fully paid up since the date of allotment.

#### Notes:

(i) Initial Subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Ratan Kumar Srivastava	5,000
2.	Mrs. Deepali Verma	5,000
	<b>Total</b>	<b>10,000</b>

(ii) Further allotment of 6,000 Series A Equity Shares of Face Value of Rs. 10/- each fully paid at Issue Price of Rs. 10:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Ratan Kumar Srivastava	3000
2.	Mrs. Deepali Verma	3000
	<b>Total</b>	<b>6,000</b>

(iii) Further allotment of 4,000 Series B Equity Shares of Face Value of Rs. 10/- each fully paid at Issue Price of Rs. 10:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Sachin Balkrishna Ramdasi	4000
	<b>Total</b>	<b>4,000</b>

- (iv) **Rights Issue of 1,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid at Issue Price of Rs. 101/- in proportion of Existing capital of 20,000 Equity Shares. The details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:**

S.No.	Name of Shareholder	Equity Shares Offered	Equity Shares Received/ (Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed	Lapse of Equity Shares
1.	Mr. Ratan Kumar Srivastava	40,000	48,000	48,000	48,000	-
2.	Mrs. Deepali Verma	40,000	48,000	48,000	48,000	-
3.	Mr. Sachin Balkrishna Ramdasi	20,000	4,000 (16,000)	4,000 --	4,000	-
<b>Total</b>					<b>1,00,000</b>	<b>-</b>

- (v) **Bonus allotment of 9,60,000 Equity Shares of Face Value of Rs. 10/- each fully paid in the ratio 8:1 i.e. 8 Bonus Equity Shares for every 1 Equity Shares held:**

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Ratan Kumar Srivastava	4,48,000
2.	Mrs. Deepali Verma	4,48,000
3.	Mr. Sachin Balkrishna Ramdasi	64,000
	<b>Total</b>	<b>9,60,000</b>

- b) As on the date of the Draft Prospectus, our Company does not have any preference share capital.

## 2. Issue of Equity Shares for consideration other than cash

Except as disclosed in point 1 (a) (v) above, we have not issued any Equity Shares for consideration other than cash.

## 3. Details of Allotment made in the last two years preceding the date of the Draft Prospectus:

Except as disclosed in point 1 (a) (ii), (iii), (iv) & (v) above, we have not issued any Equity Shares in the last two years preceding the date of the Draft Prospectus

- No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and relevant section of 230-234 of Companies Act 2013.
- We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Except Bonus Issue of Shares as disclosed in point 1 (a) (v) above, No Equity Shares have been issued which may at price below the Issue Price within last one year from the date of the Draft Prospectus.

## 7. Capital Build up in respect of shareholding of our Promoters:

As on date of the Draft Prospectus, Our promoters Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma holds 5,03,800 and 5,04,000 Equity Shares respectively of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Date of Allotment and made fully paid up /transfer	Nature of Issue	No. of Equity Shares	Face Value Per Share (₹)	Issue /Acquisition/ Transfer Price per Equity Share (₹)*	Pre-Issue Shareholding %	Post-Issue Shareholding %	Lock in Period	Source of Funds
<b>Mr. Ratan Kumar Srivastava</b>								
July 17, 2014	On Incorporation	5000	10	10	0.46	0.34	1 Year	Own fund
September 01, 2018	Allotment	2800	10	10	0.26	0.20	1 Year	Own fund
		200	10	10	0.02	0.01	--	

April 23, 2020	Right Issue	48,000	10	101	4.44	3.24	1 Year	Own fund
April 24, 2020	Bonus Issue	1,50,000	10	--	13.89	10.12	3 Years	--
		2,98,000			27.59	20.11	1 Year	
April 24, 2020	Transfer <sup>(i)</sup>	(200)	10	10	(0.02)	(0.01)	--	--
Total (A)		5,03,800			46.65	33.99		
Mrs. Deepali Verma								
July 17, 2014	On Incorporation	5000	10	10	0.46	0.34	1 Year	Own fund
September 01, 2018	Allotment	3000	10	10	0.28	0.20	1 Year	Own fund
April 23, 2020	Right Issue	48,000	10	101	4.44	3.24	1 Year	Own fund
April 24, 2020	Bonus Issue	1,50,000	10	--	13.89	10.12	3 Years	--
		2,98,000			27.59	20.11	1 Year	
Total (B)		5,04,000			46.66	34.01		
Grand Total (A+B)		10,07,800			93.31	68.00		

**(i) Details of Transfer of Share by Mr. Ratan Kumar Srivastava dated April 24, 2020**

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	April 24, 2020	Mr. Ratan Kumar Srivastava	100	Mr. Ravindra Kumar Verma
2.			100	Mrs. Shashi Verma
Total			200	

**8. The average cost of acquisition of or subscription to Equity Shares by our Promoter is set forth in the table below:**

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Ratan Kumar Srivastava	5,03,800	9.78
Deepali Verma	5,04,000	9.78

\*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each.

**9. Except as provided below there are no Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of the Draft Prospectus.**

Date of Transaction	Number of Equity Shares Allotted/ Acquired/Sold	Face Value (Rs.)	Issue Price/ Acquired Price (Rs.)*	Nature	Nature of Consideration	Name of the Allottees/ Transferor/transferee	Category
April 23, 2020	48,000	10	101	Rights Issue of Shares	Cash	Ratan Kumar Srivastava	Promoter and Director
	48,000					Deepali Verma	Promoter and Director
April 24, 2020	4,48,000	10	--	Bonus Issue of Shares	--	Ratan Kumar Srivastava	Promoter and Director
	4,48,000					Deepali Verma	Promoter and Director
April 24, 2020	(200)	10	--	Transfer of Shares	--	Ratan Kumar Srivastava	Promoter and Director
April 24, 2020	100	10	10	Acquisition of shares by Transfer	Cash	Ravindra Kumar Verma	Promoter Group
April 24, 2020	100	10	10	Acquisition of shares by Transfer	Cash	Shashi Verma	Promoter Group

\*The maximum and minimum price at which the aforesaid transaction was made is 101 and NIL Equity Share.

10. Details of the Pre and Post Issue Shareholding of our Promoter and Promoter Group as on the date of the Draft Prospectus is as below: -

S.No	Names	Pre Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoter</b>				
1.	Mr. Ratan Kumar Srivastava	5,03,800	46.65	5,03,800	33.99
2.	Mrs. Deepali Verma	5,04,000	46.66	5,04,000	34.01
	<b>TOTAL (A)</b>	<b>10,07,800</b>	<b>93.31</b>	<b>10,07,800</b>	<b>68.00</b>
	<b>Promoter Group</b>				
1.	Mr. Ravindra Kumar Verma	100	0.01	100	0.01
2.	Mrs. Shashi Verma	100	0.01	100	0.01
	<b>TOTAL (B)</b>	<b>200</b>	<b>0.02</b>	<b>200</b>	<b>0.02</b>
	<b>GRAND TOTAL (A+B)</b>	<b>10,08,000</b>	<b>93.33</b>	<b>10,08,000</b>	<b>68.02</b>

11. Details of Promoter's Contribution locked in for three years:

Date of Allotment / transfer of fully paid up Shares	Date when made Fully paid up	Nature of Allotment/ Acquired/Transfer	No. of shares Allotted/ Acquired Transferred	Face Value (Rs.)	Issue Price/ Transfer Price (Rs.)	% of Pre Issue Shareholding	% of Post Issue Shareholding	Lock in Period
<b>Mr. Ratan Kumar Srivastava</b>								
April 24, 2020	April 24, 2020	Bonus Issue of Shares	1,50,000	10	--	13.89	10.12	3 Years
<b>Total A</b>			<b>1,50,000</b>			<b>13.89</b>	<b>10.12</b>	
<b>Mrs. Deepali Verma</b>								
April 24, 2020	April 24, 2020	Bonus Issue of Shares	1,50,000	10	--	13.89	10.12	3 Years
<b>Total B</b>			<b>1,50,000</b>			<b>13.89</b>	<b>10.12</b>	
<b>Total (A+B)</b>			<b>3,00,000</b>			<b>27.78</b>	<b>20.24</b>	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 236 of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-Issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoters, Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma has, by a written undertaking, consented to have 3,00,000 Equity Shares held by them to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed/sold/transferred by the promoter during the period starting from the date of filing this Draft Prospectus with SME Platform of NSE till the date of commencement of lock-in period as stated in this Draft Prospectus. The Equity Shares under the Promoters contribution will constitute 20.24% of our post-Issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 236 of the SEBI ICDR Regulations will not be less than 20% of the post Issue paid up capital of our Company.

## Eligibility of Share for “Minimum Promoters Contribution in terms of clauses of Regulation 237 of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters’ Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter’s Contribution
237 (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 capitalization of intangible assets is involved in such transaction	The Minimum Promoter’s contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b>Hence Eligible</b>
237 (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	The minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (b)	Specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer.	The minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237 (1) (c)	Specified securities allotted to the promoters and alternative investment funds 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 or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management	The minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoter’s has not Pledged any shares with any creditors. Accordingly, the minimum Promoter’s 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 236 and 237 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire pre-issue equity share capital held by promoters and entire pre-issue capital held by persons other than promoters of our Company i.e. Promoter Group members and Public constituting 7,80,000 Equity Shares shall be locked in for a period of 1 (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:

- In terms of Regulation 242 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. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

- b) In terms of Regulation 243 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.

Further in terms of Regulation 243 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 company 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.



## 12. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of the Draft Prospectus:

### I – Summary of Shareholding Pattern:-

Category	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								Class Equi ty	No of Voting Rights	Total as a % of (A+B+ C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Share s held (b)	
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX			X	XI=VII+X	XII	XIII	XIV		
(A)	Promoter & Promoter Group	4	10,08,000	-	-	10,08,000	93.33	10,08,000	10,08,000	93.33	-	93.33	-	-	-	-	
(B)	Public	3	72,000			72,000	6.67	72,000,	72,000	6.67	-	6.67	-	-	-	-	
I	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	7	10,80,000	-	-	10,80,000	100.00	10,80,000	10,80,000	100.00	-	100.00	-	-	-	10,80,000	

\*As on date of this Draft Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

**13. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Prospectus are:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Ratan Kumar Srivastava	5,03,800	46.65
2.	Mrs. Deepali Verma	5,04,000	46.66
3.	Mr. Sachin Balkrishna Ramdasi	71,800	6.65
	<b>Total</b>	<b>10,79,600</b>	<b>99.96</b>

**14. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two year prior as on the date of this Draft Prospectus are:**

S. No.	Names	Shares Held (Face Value of Rs. 10 each)	% of Paid Up Equity Shares as on 2 years prior to the date of filing of the Draft Prospectus
1.	Mr. Ratan Kumar Srivastava	5,000	50.00
2.	Mrs. Deepali Verma	5,000	50.00
	<b>Total</b>	<b>10,000</b>	<b>100.00</b>

*\*Details of shares held as on April 30, 2018 and Percentage held has been calculated based on the paid up capital of our company as on April 30, 2018*

**15. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one year prior as on the date of this Draft Prospectus are:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Ratan Kumar Srivastava	8,000	40.00
2.	Mrs. Deepali Verma	8,000	40.00
3.	Mr. Sachin Balkrishna Ramdasi	4,000	20.00
	<b>Total</b>	<b>20,000</b>	<b>100.00</b>

*\*Details of shares held on April 30, 2019 and Percentage held has been calculated based on the paid up capital of our company as on April 30, 2019*

**16. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company ten days prior as on the date of this Draft Prospectus are:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Ratan Kumar Srivastava	8,000	40.00
2.	Mrs. Deepali Verma	8,000	40.00
3.	Mr. Sachin Balkrishna Ramdasi	4,000	20.00
	<b>Total</b>	<b>20,000</b>	<b>100.00</b>

**17. Except as disclosed below, none of public shareholder are holding more than 1% of the pre-Issue share capital of our Company.**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Sachin Balkrishna Ramdasi	71,800	6.65
	<b>Total</b>	<b>71,800</b>	<b>6.65</b>

**18. Except as disclosed below, no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of the Draft Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre- issue share capital of our Company.**

S. No.	Name of Shareholders	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
1.	Mr. Ratan Kumar Srivastava	September 01, 2018	Promoter	3,000	--	Subscribed
2.	Mrs. Deepali Verma	September 01, 2018	Promoter	3,000	--	Subscribed
3.	Mr. Ratan Kumar Srivastava	April 23, 2020	Promoter	48,000	--	Subscribed
4.	Mrs. Deepali Verma	April 23, 2020	Promoter	48,000	--	Subscribed
5.	Mr. Ratan Kumar Srivastava	April 24, 2020	Promoter	4,48,000	--	Subscribed
6.	Mrs. Deepali Verma	April 24, 2020	Promoter	4,48,000	--	Subscribed

19. None of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:

Name	Designation	No. of Equity Shares held
Mr. Ratan Kumar Srivastava	Chairman cum Managing Director	5,03,800
Mrs. Deepali Verma	Whole Time Director & Chief Financial Officer	5,04,000

20. None of our Promoters, 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 six months immediately preceding the date of filing of the Draft Prospectus.
21. Neither, we nor our Promoters, Directors and the Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
22. As on the date of filing of the Draft 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.
23. As on the date of the Draft Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
24. Our Company has not raised any bridge loan against the proceeds of the Issue.
25. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
26. As on the date of the Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
27. The Lead Manager i.e. Shreni Shares Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of the Draft Prospectus.
28. We here by confirm that 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 Draft Prospectus until the Equity Shares Issued have been listed or application moneys refunded on account of failure of Issue.
29. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider

raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments

30. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
31. An over-subscription to the extent of 10% of the total Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue. In such an event, the Equity Shares held by the Promoter is used for allotment and lock- in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
32. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
33. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
34. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
35. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
36. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
37. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
38. As on the date of the Draft Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
39. There are no Equity Shares against which depository receipts have been issued.
40. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Draft Prospectus.
41. We have 7 (Seven) Shareholders as on the date of filing of the Draft Prospectus.
42. There are no safety net arrangements for this Public Issue.
43. Our Promoters and Promoter Group will not participate in this Issue.
44. This Issue is being made through Fixed Price method.
45. Except as disclosed in the Draft Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Draft Prospectus.
46. No person connected with the Issue shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
47. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue includes a public Issue of 4,02,000 Equity Shares of our Company at an Issue Price of ₹ 100/- per Equity Share

#### **The Fresh Issue**

The Net Proceeds from the Fresh Issue will be utilized towards the following objects:

1. To Meet Working Capital Requirement
2. General Corporate Purpose
3. To Meet the Issue Expenses

*(Collectively referred as the “objects”)*

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE (NSE EMERGE). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum of Association (MOA) enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association (MOA).

#### **Requirement of Funds: -**

The following table summarizes the requirement of funds:

S. No	Particulars	Amt. (₹ in Lacs)	% of Total Issue Size
1.	To Meet Working Capital Requirement	280.00	69.65
2.	General Corporate Expenses	82.00	20.40
3.	Public Issue Expenses	40.00	9.95
<b>Gross Issue Proceeds</b>		<b>402.00</b>	<b>100.00</b>
<b>Less: Issue Expenses</b>		40.00	
<b>Net Issue Proceeds</b>		<b>362.00</b>	

**Utilization of Net Issue Proceeds:** The Net Issue Proceeds will be utilized for following purpose:

S. No	Particulars	Amt. (₹ in Lacs)
1.	To Meet Working Capital Requirement	280.00
2.	General Corporate Expenses	82.00
	<b>Total</b>	<b>362.00</b>

**Means of Finance: -** We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt. (₹ in Lacs)
Net Issue Proceeds	40.00
<b>Total</b>	<b>40.00</b>

*Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.*

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Draft Prospectus.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 21 of the Draft Prospectus.

#### **Details of Use of Issue Proceeds:**

##### **1. To Meet Working Capital Requirement**

Since Incorporation, our Company is in business Information Technology & IT enabled Services. The Business of the Company is working capital intensive, hence it will meet the requirement to the extent of ₹ 280.00 Lacs from the Net Proceeds of the Issue and balance from Internal Accruals at an appropriate time as per the requirements of the business.

Details of Estimation of Working Capital requirement are as follows:

(₹ In Lacs)				
S. No.	Particulars	Actual (Restated)	Actual (Restated)	Provisional
		31-March-19	31-March-20	31-March-21
I	<b>Current Assets</b>			
	Trade receivables	--	--	137.38
	Current Inventories	--	--	70.40
	Cash and cash equivalents	4.15	5.15	47.33
	Short term loan & Advances	0.19	--	30.00
	Other Current Assets	27.63	38.37	108.77
	<b>Total(A)</b>	<b>31.97</b>	<b>43.52</b>	<b>393.88</b>
II	<b>Current Liabilities</b>			
	Trade payables	--	20.13	36.48
	Short Term Provisions	5.68	22.25	33.01
	Other Current Liabilities	43.30	36.16	42.30
	<b>Total (B)</b>	<b>48.98</b>	<b>78.54</b>	<b>111.79</b>
III	<b>Total Working Capital Gap (A-B)</b>	<b>(17.01)</b>	<b>(35.02)</b>	<b>282.09</b>
IV	<b>Funding Pattern</b>			
	Short term borrowing & Internal Accruals	--	--	<b>2.09</b>
	<b>IPO Proceeds</b>			<b>280.00</b>



**Justification:**

S. No.	Particulars
<b>Debtors</b>	We expect Debtors holding days to be at 45 Days approx. for FY 2020-21 based on increased sales of Products and better credit Management policies ensuring timely recovery of dues.

**2. General Corporate Purposes**

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ 82.00 Lacs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

**3. Public Issue Expenses: -**

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately ₹ 40.00 Lacs which is 9.95% of the Issue Size. All the Issue related expenses shall be proportionately met out from proceeds of the Issue as per applicable laws. The break-up of the same is as follows:

Activity	Rs. In Lacs
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, etc*	23.00
Printing and Stationery and postage expenses	2.00
Advertising and Marketing expenses	2.00
Statutory and other miscellaneous expenses	13.00
<b>Total Estimated Issue Expenses</b>	<b>40.00</b>

\*Included Commission/ processing fees for SCSB, Brokerage and selling commission for Registered Brokers, RTA's and CDPs

**Proposed Schedule of Implementation:**

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 2020-21
1.	To Meet Working Capital Requirement	280.00
2.	General Corporate Purpose	82.00
	<b>Total</b>	<b>362.00</b>

**Funds Deployed and Source of Funds Deployed:**

Our Statutory Auditors M/s. A Y & Co., Chartered Accountants vide their certificate dated April 30, 2020 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lakh)*
Issue Expenses	10.00
<b>Total</b>	<b>10.00</b>

\* Amount excluding of applicable taxes.

### **Sources of Financing for the Funds Deployed:**

Our Statutory Auditors **M/s. A Y & Co.**, Chartered Accountants vide their certificate dated April 30, 2020 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

<b>Particulars</b>	<b>Amt. (₹ in Lakh)*</b>
Internal Accruals	10.00
<b>Total</b>	<b>10.00</b>

\* Amount excluding of applicable taxes.

### **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 available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### **Bridge Financing Facilities**

As on the date of this Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

## **BASIS FOR ISSUE PRICE**

*Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Our Business” and its financial statements under the section titled “Financial Information of our Company” beginning on page 21, page 88 and page 129 respectively of this Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.*

The Issue Price has been determined by the Company in consultation with the LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is Rs. 10 and Issue Price is ₹ 100/- which is 10 times of the face value.

Since our Company has acquired its wholly owned subsidiary on October 01, 2019 and the Restated Consolidated Financial Statements are prepared for the period ended March 31, 2020, hence the comparative information is not available.

## **QUALITATIVE FACTORS**

- Customer satisfaction and revenues from long standing customer relationships
- Experienced Promoters and Management Expertise
- Diversified revenue from multiple geographies
- Focused on driving innovation
- Diversified business across several industrial verticals

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Our Business” beginning on page 88 of this Draft Prospectus.

## **QUANTITATIVE FACTORS**

Information presented below is derived from our Company’s Restated Financial Statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

### **1. Basic & Diluted Earnings per share (EPS), as restated:**

#### **Consolidated:**

S. No	Period	Basic & Diluted (₹)
1.	FY 2019-20	13.64

#### **Standalone:**

S. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2017-18	2.20	1
2.	FY 2018-19	3.18	2
3.	FY 2019-20	13.48	3
	<b>Weighted Average</b>	<b>8.16</b>	<b>6</b>

#### **Notes:**

- i. The figures disclosed above are based on the restated financial statements of the Company.
- ii. The face value of each Equity Share is ₹ 10.00.
- iii. Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. The above Earning Per Share is calculated after adjusting right issue of shares dated April 23, 2020 and bonus issue of shares dated April 24, 2020 which was issued after March 31, 2020

## 2. Price Earning (P/E) Ratio in relation to the Offer Price of ₹ 100/-per share:

### Consolidated:

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2019-20	7.33

### Standalone:

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2019-20	7.42
2	P/E ratio based on the Weighted Average EPS	12.25

## 3. Return on Net worth (RoNW)

### Consolidated:

S. No	Period	RONW (%)
1.	FY 2019-20	77.62%

### Standalone:

S. No	Period	RONW (%)	Weights
1.	FY 2017-18	25.55%	1
2.	FY 2018-19	80.78%	2
3.	FY 2019-20	77.42%	3
	<b>Weighted Average</b>	<b>69.90%</b>	<b>6</b>

## 4. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS

### Consolidated:

(a) Based on Basic and Diluted EPS, as restated of FY 2019-20 of ₹ 13.64/- at the Issue Price of ₹ 100/- per share:

- 41.28% on the restated financial statements.

### Standalone:

(b) Based on Basic and Diluted EPS, as restated of FY 2019-20 of ₹ 13.48/- at the Issue Price of ₹ 100/- per share:

- 40.86% on the restated financial statements.

(c) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 8.16/- at the Issue Price of ₹ 100/- per share:

- 24.75% on the restated financial statements.

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

### Consolidated:

Sr. No.	As at	NAV Standalone(₹)
1.	March 31, 2020	437.95
2.	NAV after Issue	33.04
	<b>Issue Price</b>	<b>100.00</b>

**Standalone:**

Sr. No.	As at	NAV Standalone(₹)
1.	March 31, 2018	215.10
2.	March 31, 2019	97.98
3.	March 31, 2020	433.95
4.	NAV after Issue	32.98
	<b>Issue Price</b>	<b>100.00</b>

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

S. No.	Name of Company	Results Type	Face Value (₹)	EPS (₹) <sup>2</sup>	PE <sup>3</sup>	RoNW (%)	NAV per Share (₹) <sup>4</sup>
1.	Dev Information Technology Limited*	Standalone	10.00	7.90	9.08	14.78	53.42
2.	Innovana Thinklabs Limited*	Standalone	10.0	8.01	8.36	15.56	51.54
3.	Ksolves India Limited <sup>1</sup>	Standalone	10.00	13.48	7.42	77.42	433.95

\* The figures as at March 31, 2019 and are taken from the Annual Report available on its website and Stock Exchange.

<sup>1</sup>Based on March 31, 2020 restated financial statements

<sup>2</sup>Basic & Diluted Earnings per share (EPS) is calculated on weighted average number of shares after considering Right Issue and Bonus Issue of Shares dated April 23, 2020 and April 24, 2020 respectively.

<sup>3</sup>Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 100/-per share for Ksolves India Limited.

<sup>4</sup>Net Assets Value is calculated on outstanding shares as on March 31, 2020

- The face value of our shares is ₹ 10.00 per share and the Issue Price is of ₹ 100/- per share which is 10 times of the face value.
- The Issue Price has been determine by our Company in consultation with the Lead Manager and justified by our Company in consultation with the Lead Manager on the basis of 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.,

Investors should read the above mentioned information along with section titled "Our Business", "Risk Factors" and "Financial Information of our Company" beginning on page 88, 21 and 129 respectively including important profitability and return ratios, as set out in chapter titled "Other Financial Information" on page 178 of this Draft Prospectus to have a more informed view.



## STATEMENT OF SPECIAL TAX BENEFITS

To,

**The Board of Directors,**

**Ksolves India Limited**

H.No. B-8/1, Ground Floor, Saidulajab, South Delhi,

Delhi – 110030, India

Dear Sir,

**Subject: Statement of possible tax benefits (“the Statement”) available to Ksolves India Limited (“the Company”) and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“the Regulation”)**

We hereby report that the enclosed annexure prepared by the Company, states the possible special Direct and Indirect Tax benefits available to the Company and the shareholders of the Company under the Income – Tax Act, 1961 (‘Act’) (read with Income Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2018 (hereunder referred to as the “Income Tax Regulation”) and under Goods and Service Tax Act, 2017 (read with Goods and Service Tax Rules, Circular and Notifications), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special Direct and Indirect tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that, 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 and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (“the Issue”) by the Company.

We do not express any opinion or provide any assurance as to whether: a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or b) The conditions prescribed for availing the benefits have been / would be met with. The contents of the enclosed statements 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. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For M/s A Y & CO.**

**Chartered Accountants**

**F.R.N.: 020829C**

**Arpit Gupta**

**Partner**

**M. No. 421544**

**UDIN: 20421544AAAAAY5105**

**Date: April 30, 2020**

**Place: Jaipur**

## **ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS**

*The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.*

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

**A. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE COMPANY: - NIL**

**B. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE SHAREHOLDER: - NIL**

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement

## **SECTION VIII – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### **GLOBAL OUTLOOK**

The COVID-19 pandemic is inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. As a result of the pandemic, the global economy is projected to contract sharply by – 3 percent in 2020, much worse than during the 2008–09 financial crisis (Table 1.1). In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. There is extreme uncertainty around the global growth forecast. The economic fallout depends on factors that interact in ways that are hard to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, the extent of supply disruptions, the repercussions of the dramatic tightening in global financial market conditions, shifts in spending patterns, behavioral changes (such as people avoiding shopping malls and public transportation), confidence effects, and volatile commodity prices. Many countries face a multi-layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and a collapse in commodity prices. Risks of a worse outcome predominate. Effective policies are essential to forestall worse outcomes. Necessary measures to reduce contagion and protect lives will take a short-term toll on economic activity but should also be seen as an important investment in long-term human and economic health. The immediate priority is to contain the fallout from the COVID-19 outbreak, especially by increasing health care expenditures to strengthen the capacity and resources of the health care sector while adopting measures that reduce contagion. Economic policies will also need to cushion the impact of the decline in activity on people, firms, and the financial system; reduce persistent scarring effects from the unavoidable severe slowdown; and ensure that the economic recovery can begin quickly once the pandemic fades. Because the economic fallout reflects particularly acute shocks in specific sectors, policymakers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses. Such actions will help maintain economic relationships throughout the shutdown and are essential to enable activity to gradually normalize once the pandemic abates and containment measures are lifted. The fiscal response in affected countries has been swift and sizable in many advanced economies (such as Australia, France, Germany, Italy, Japan, Spain, the United Kingdom, and the United States). Many emerging market and developing economies (such as China, Indonesia, and South Africa) have also begun providing or announcing significant fiscal support to heavily impacted sectors and workers. Fiscal measures will need to be scaled up if the stoppages to economic activity are persistent, or the pickup in activity as restrictions are lifted is too weak. Economies facing financing constraints to combat the pandemic and its effects may require external support. Broad-based fiscal stimulus can preempt a steeper decline in confidence, lift aggregate demand, and avert an even deeper downturn. But it would most likely be more effective once the outbreak fades and people are able to move about freely. The significant actions of large central banks in recent weeks include monetary stimulus and liquidity facilities to reduce systemic stress. These actions have supported confidence and contribute to limiting the amplification of the shock, thus ensuring that the economy is better placed to recover. The synchronized actions can magnify their impact on individual economies and will also help generate the space for emerging market and developing economies to use monetary policy to respond to domestic cyclical conditions. Supervisors should also encourage banks to renegotiate loans to distressed households and firms while maintaining a transparent assessment of credit risk. Strong multilateral cooperation is essential to overcome the effects of the pandemic, including to help financially constrained countries facing twin health and funding shocks, and for channeling aid to countries with weak health care systems. Countries urgently need to work together to slow the spread of the virus and to develop a vaccine and therapies to counter the disease. Until such medical interventions become available, no country is safe from the pandemic (including a recurrence after the initial wave subsides) as long as transmission occurs elsewhere.

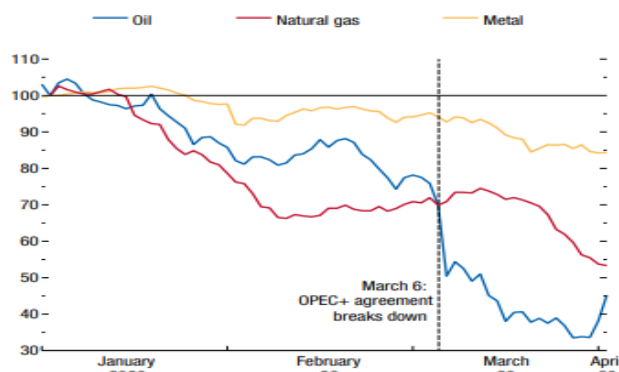
Global Financial Stability Report, financial conditions in advanced as well as emerging market economies are significantly tighter than at the time of the October 2019 World Economic Outlook (WEO) forecast. Equity markets have sold off dramatically; high-

yield corporate and emerging market sovereign spreads have widened significantly (Figures 1.2 and 1.3); and portfolio flows to emerging market funds have reversed, particularly in the case of hard currency bonds and equities. Signs of dollar funding shortages have emerged amid the general rebalancing of portfolios toward cash and safe assets.

Currency movements have generally reflected these shifts in risk sentiment. The currencies of commodity exporters with flexible exchange rates among emerging market and advanced economies have depreciated sharply since the beginning of the year, while the US dollar has appreciated by some 8½ percent in real effective terms as of April 3, the yen by about 5 percent, and the euro by some 3 percent (Figure 1.4).

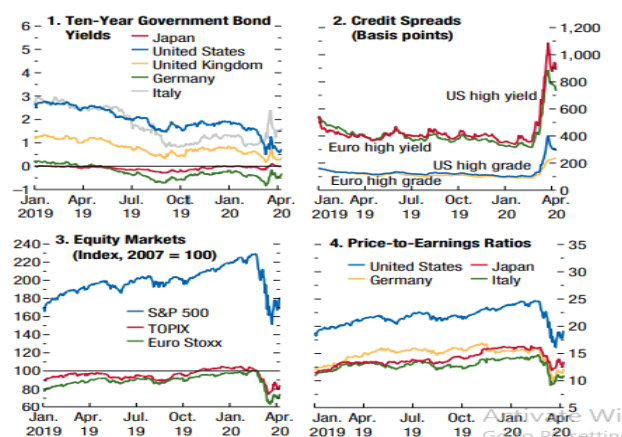
The rapidly worsening risk sentiment has prompted a series of central bank rate cuts, liquidity support actions, and, in a number of cases, large asset purchase programs, including from the US Federal Reserve, European Central Bank, Bank of England, Bank of Japan, Bank of Canada, and Reserve Bank of Australia, as well as from emerging market central banks in Brazil, China, India, Malaysia, Mexico, the Philippines, Saudi Arabia, South Africa, Thailand, and Turkey—which will help partially offset the tightening in financial conditions. Moreover, several central banks have activated bilateral swap lines to improve access to international liquidity across jurisdictions.<sup>1</sup> Nonetheless, the significant tightening of financial conditions will further dampen economic activity in the near term, adding to the direct macroeconomic fallout of the health crisis.

**Figure 1.1. Commodity Prices**  
(January 2, 2020 = 100)

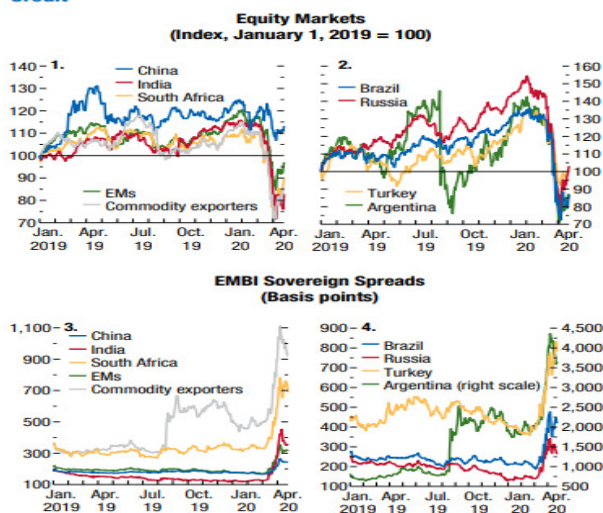


Sources: IMF, Primary Commodity Price System; and IMF staff calculations.  
Note: OPEC+ = Organization of the Petroleum Exporting Countries, including Russia.

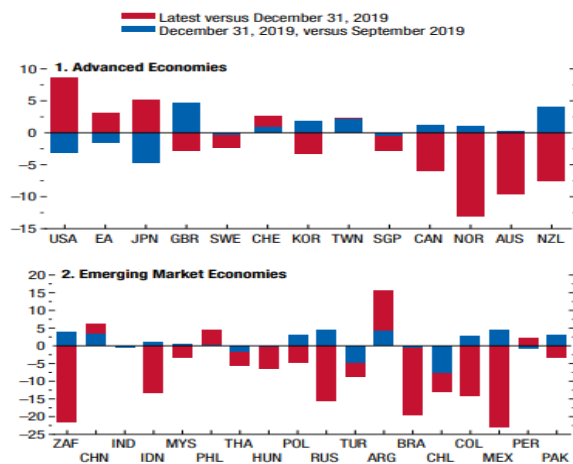
**Figure 1.2. Advanced Economies: Monetary and Financial Market Conditions**  
(Percent, unless noted otherwise)



**Figure 1.3. Emerging Market Economies: Equity Markets and Credit**



**Figure 1.4. Real Effective Exchange Rate Changes, September 2019–April 2020**  
(Percent)



## *Global Economy in Recession in 2020*

Global growth is projected at –3.0 percent in 2020, an outcome far worse than during the 2009 global financial crisis. The growth forecast is marked down by more than 6 percentage points relative to the October 2019 WEO and January 2020 WEO Update projections—an extraordinary revision over such a short period of time.

Growth in the advanced economy group—where several economies are experiencing widespread outbreaks and deploying containment measures—is projected at –6.1 percent in 2020. Most economies in the group are forecast to contract this year, including the United States (–5.9 percent), Japan (–5.2 percent), the United Kingdom (–6.5 percent), Germany (–7.0 percent), France (–7.2 percent), Italy (–9.1 percent), and Spain (–8.0 percent). In parts of Europe, the outbreak has been as severe as in China’s Hubei province. Although essential to contain the virus, lockdowns and restrictions on mobility are extracting a sizable toll on economic activity. Adverse confidence effects are likely to further weigh on economic prospects.

Among emerging market and developing economies, all countries face a health crisis, severe external demand shock, dramatic tightening in global financial conditions, and a plunge in commodity prices, which will have a severe impact on economic activity in commodity exporters. Overall, the group of emerging market and developing economies is projected to contract by –1.0 percent in 2020; excluding China, the growth rate for the group is expected to be –2.2 percent. Even in countries not experiencing widespread detected outbreaks as of the end of March (and therefore not yet deploying containment measures of the kind seen in places with outbreaks) the significant downward revision to the 2020 growth projection reflects large anticipated domestic disruptions to economic activity from COVID-19. The 2020 growth rate for the group excluding China is marked down 5.8 percentage points relative to the January WEO projection. As discussed below, growth would be even lower if more stringent containment measures are necessitated by a wider spread of the virus among these countries. Emerging Asia is projected to be the only region with a positive growth rate in 2020 (1.0 percent), albeit more than 5 percentage points below its average in the previous decade. In China, indicators such as industrial production, retail sales, and fixed asset investment suggest that the contraction in economic activity in the first quarter could have been about 8 percent year over year. Even with a sharp rebound in the remainder of the year and sizable fiscal support, the economy is projected to grow at a subdued 1.2 percent in 2020. Several economies in the region are forecast to grow at modest rates, including India (1.9 percent) and Indonesia (0.5 percent), and others are forecast to experience large contractions (Thailand, –6.7 percent).

Other regions are projected to experience severe slowdowns or outright contractions in economic activity, including Latin America (–5.2 percent)—with Brazil’s growth forecast at –5.3 percent and Mexico’s at –6.6 percent; emerging and developing Europe (–5.2 percent)—with Russia’s economy projected to contract by –5.5 percent; the Middle East and Central Asia (–2.8 percent)—with Saudi Arabia’s growth forecast at –2.3 percent, with non-oil GDP contracting by 4 percent, and most economies, including Iran, expected to contract; and sub-Saharan Africa (–1.6 percent)—with growth in Nigeria and South Africa expected at –3.4 percent and –5.8 percent, respectively. Following the dramatic decline in oil prices since the beginning of the year, near-term prospects for oil-exporting countries have deteriorated significantly: the growth rate for the group is projected to drop to –4.4 percent in 2020.

Countries is expected to experience negative per capita income growth in 2020 than at the time of the 2009 financial crisis. These countries account for a broadly similar purchasing-power-parity share of the world economy compared with the group that experienced negative per capita income growth in 2009.

Even after the severe downgrade to global growth, risks to the outlook are on the downside. The pandemic could prove more persistent than assumed in the baseline. Moreover, the effects of the health crisis on economic activity and financial markets could turn out to be stronger and longer lasting, testing the limits of central banks to backstop the financial system and further raising the fiscal burden of the shock. Of course, if a therapy or a vaccine is found earlier than expected, social distancing measures can be removed and the rebound may occur faster than anticipated.

As of early April 2020 the path of the COVID-19 pandemic remains uncertain. Strong containment efforts in place to slow the spread of the virus may need to remain in force for longer than the first half of the year if the pandemic proves to be more persistent than assumed in the WEO baseline. Once containment efforts are lifted and people start moving about more freely, the virus could again spread rapidly from residual localized clusters. Moreover, places that successfully bring down domestic community spread could be vulnerable to renewed infections from imported cases. In such instances, public health measures will need to be ramped up again, leading to a longer downturn than in the baseline forecast. And although the disease has been most concentrated in advanced economies, fresh outbreaks in large emerging market or developing economies could further hamper any recovery, and the staggered nature of outbreaks could imply longer-lasting disruptions to travel.



The recovery of the global economy could be weaker than expected after the spread of the virus has slowed for a host of other reasons. These include lingering uncertainty about contagion, confidence failing to improve, and establishment closures and structural shifts in firm and household behavior, leading to more lasting supply chain disruptions and weakness in aggregate demand. Scars left by reduced investment and bankruptcies may run more extensively through the economy (as occurred, for example, in previous deep downturns—see Chapter 4 of the October 2009 WEO and Chapter 2 of the October 2018 WEO). Depending on the duration, global business confidence could be severely affected, leading to weaker investment and growth than projected in the baseline. Related to the uncertainty around COVID-19, an extended risk-off episode in financial markets and tightening of financial conditions could cause deeper and longer-lasting downturns in a number of countries.

The Scenario Box later in this chapter provides illustrative examples that combine these aspects. Three alternative scenarios are considered. The first assumes a more protracted duration of the pandemic and necessary containment measures remaining in place for about 50 percent longer than in the baseline in all countries. The second features a recurrence of a milder outbreak in 2021. The third considers both a protracted pandemic and longer containment effort in 2020 as well as a recurrence in 2021. The scenarios depart from the baseline in several important aspects: the magnitude of the direct impact of measures to contain the spread of the virus, the tightening in financial conditions and the pace at which they ease, and the scarring resulting from the economic dislocation during the shutdown. As the Scenario Box shows, global GDP is estimated to deviate significantly from the baseline across the scenarios, ranging from 3 percent below baseline in 2020 in the first case (protracted pandemic in 2020) to 8 percent below baseline in 2021 in the third case (protracted pandemic in 2020 and recurrence in 2021). In all scenarios, output recovers only gradually and remains below the baseline throughout the medium term.

(Source - <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>)

## **INDIAN ECONOMY OVERVIEW**

The WEO of October 2019 has estimated India's economy to become the fifth largest in the world, as measured using GDP at current US\$ prices, moving past United Kingdom and France. The size of the economy is estimated at US\$ 2.9 trillion in 2019

In July 2019, the Union Budget 2019- 20 had articulated the vision of the Hon'ble Prime Minister to make India a US\$ 5 trillion economy by 2024-25. The march towards this milestone has, however, been challenged by less than expected growth of India's GDP so far this year, on the back of a decline in world output. Yet, given India's record of growth with macroeconomic stability over the last five years (annual average growth rate of 7.5 per cent and annual average inflation of 4.5 per cent), the economy is poised for a rebound towards the US\$ 5 trillion goal.

The National Statistical Office (NSO) has estimated India's GDP to have grown at 4.8 per cent in the first half (H1) (April-September) of 2019-20, lower than 6.2 per cent recorded in the second half (H2). (October-March) of 2018-19. On the supply side, the deceleration in GDP growth has been contributed generally by all sectors save 'Agriculture and allied activities' and 'Public administration, defence, and other services', whose growth in H1 of 2019-20 was higher than in H2 of 2018-19.

On the demand side, the deceleration in GDP growth was caused by a decline in the growth of real fixed investment in H1 of 2019-20 when compared to 2018-19 induced in part by a sluggish growth of real consumption. However, growth of real consumption started picking up in Q2 of 2019-20, mostly driven by a significant jump in government final consumption. Growth of private final consumption expenditure also picked up in the same quarter. The contribution of net exports to GDP in Q2 of 2019-20 became less negative as in real terms the contraction of exports was much smaller than contraction of imports. Lower growth of GDP and softer price of crude oil caused a large contraction of imports.

Despite the deceleration in GDP growth for the sixth consecutive quarter, the stock market continues to be upbeat about the country's growth prospects. The Bombay Stock Exchange (BSE) Sensex increased by 7.0 per cent at end December 2019 over end March 2019. This may also reflect the growing perception of India becoming an attractive destination for investment in the backdrop of a decline in the growth of major economies of the world and continued easing of monetary policy by the US Fed. The net FDI and net Foreign Portfolio Investment (FPI) in first eight months of 2019-20 stood at US\$ 24.4 billion and US\$ 12.6 billion respectively, more than the inflows received in the corresponding period of 2018-19. Since 2011-12, India recorded its lowest quarterly GDP growth in Q4 of 2012-13. After 13 quarters, the economy achieved its highest quarterly growth of 9.4 per cent in Q1 of 2016-17. Again after 13 quarters, the economy has recorded a low growth of 4.5 per cent in Q2 of 2019-20. It appears that the length of the business cycle is about 13 quarters. A study on business cycle measurement in India (Pandey et al. 2018) using growth data since 1996 shows similar results. Their study indicates that when GDP is accelerating the business cycle on average is



12 quarters. However, in the deceleration phase, the business cycle on average reduces to 9 quarters. A resurgence in growth is, accordingly, expected to begin in H2 of 2019-20.

In H1 of 2019-20, CPI (Headline) inflation was estimated at 3.3 per cent, slightly higher than that in H2 of the previous year. There has been a further uptick in headline inflation in the month of December 2019 to 7.35 per cent contributed mainly by supplyside factors. The food prices spiked following unseasonal rainfall and a flood-like situation in many parts of the country, which affected agricultural crop production. The Wholesale Price Index (WPI) inflation, on the other hand, declined sharply from 3.2 per cent in April 2019 to 2.6 per cent in December 2019, reflecting weakening of demand pressure in the economy. Core inflation (headline less food and fuel inflation) further reflects the state of demand in the economy. There has been a secular moderation in CPI-core inflation from 6.3 per cent in Q1 of 2018-19 to 4.3 per cent in Q2 of 2019-20, which also reflects a weakening of demand pressure in the economy. The core-CPI and WPI inflation together moderated inflation, as captured by the GDP deflator, which fell from 3.7 per cent in H2 of 2018-19 to 2.1 per cent in H1 of 2019-20. This significantly lowered the nominal growth of GDP as well.

#### *Fiscal situation*

In 2019-20, Centre's fiscal deficit was budgeted at Rs. 7.04 lakh crore (3.3 per cent of GDP), as compared to Rs. 6.49 lakh crore (3.4 per cent of GDP) in 2018-19 PA. In the first eight months of 2019-20, fiscal deficit stood at 114.8 per cent of the budgeted level. Net Tax revenue to the Centre, which was envisaged to grow at more than 25 per cent in 2019-20 BE relative to 2018-19 PA, grew at 2.6 per cent during April to November 2019, which was nearly half its' growth rate for the corresponding period last year. This is primarily owing to low growth in Gross Tax Revenue (GTR) of 0.8 per cent during first eight months of 2019-20 vis-a-vis 7.1 per cent growth for the corresponding period in 2018-19 (Table 6, Chapter 2). Goods and Services Tax (GST) collections, the biggest component of indirect taxes, grew by 4.1 per cent for the Centre during April-November 2019. However, the uptick in growth of cumulative GST collections for the Centre started in October 2019 and has sustained its momentum in November and December 2019 as well.

Specifically, the GST (Centre + States) collection for the month of November 2019 was the third highest monthly collection since introduction of GST (July 2017). From April-December 2019, gross GST revenue collection has crossed the mark of ` 1 lakh crore five times with a revenue of ` 1.03 lakh crore in December 2019. This may be the result of concerted efforts taken by the Government to improve tax compliance and revenue collection as well as a reflection of a rebounding economy.

On the expenditure side, the budgeted expenditure of the Central government grew at 12.8 per cent in April-November 2019 over the corresponding period of the previous year, expending almost 60 per cent of the budget. The capital expenditure during April to November 2019-20 has grown at roughly three times vis-à-vis the same period in 2018-19. Also, revenue expenditure has grown at a higher rate during these eight months of 2019-20, compared to the same period previous year.

(Source - <https://www.indiabudget.gov.in/economicsurvey/>)

### **SERVICE SECTOR INDUSTRY**

The services sector's significance in the Indian economy has continued to increase, with the sector now accounting for around 55 per cent of total size of the economy and GVA growth, two-thirds of total FDI inflows into India and about 38 per cent of total exports. The share of services sector now exceeds 50 per cent of Gross State Value Added in 15 out of the 33 states and UTs, with this share more than 80 per cent in Delhi and Chandigarh. However, data on GVA growth, high-frequency indicators and sectoral trends suggest a moderation in services sector activity during 2019-20. Bank credit to services sector, air passenger traffic and rail freight traffic have witnessed a deceleration, while foreign tourist arrivals and port traffic have continued to ease during 2019-20. On the bright side, the very latest readings on most of these indicators suggest a recovery. Moreover, gross FDI equity inflows into services sector have registered a strong recovery and services exports have maintained their momentum during April-September 2019. Services exports have outperformed goods exports in the recent years, due to which India's share in world's commercial services exports has risen steadily over the past decade to reach 3.5 per cent in 2018, twice the share in world's merchandise exports at 1.7 per cent. India's education services imports have increased markedly in the recent years, up from about US\$ 2.3 billion in 2013-14 to US\$ 5.0 billion in 2018-19. The shipping turnaround time at ports has almost halved from 4.67 days in 2010-11 to 2.48 days in 2018-19. India has launched around 5-7 satellites per year in the recent years with no failures, barring one in 2017.

### Services Sector Performance: An Overview

As per the First Advance Estimates for Gross Value Added (GVA) from the Ministry of Statistics and Planning Implementation, services sector growth (YoY) continued to moderate during 2019-20, reaching 6.9 per cent from 7.5 per cent in 2018-19. By sub-sector, growth (YoY) in 'financial services, real estate & professional services' decelerated to 6.4 per cent during 2019-20 and that in 'trade, hotels, transport, communication & broadcasting services' remained on a downward trend, reaching 5.9 per cent in 2019-20. However, 'public administration, defence & other services' witnessed an acceleration in activity during 2019-20, with a growth (YoY) of 9.1 per cent. Notwithstanding the recent underperformance, the services sector continues to outperform agriculture and industry sector growth, contributing around 55 per cent to total GVA as well as to total GVA growth.

**Table 1: Services Sector Performance in GVA**

Sector	Share in GVA (per cent)	Growth (per cent YoY)				
		2017-18 (RE)	2018-19 (PE)	2019-20 (1 <sup>st</sup> AE)	2019-20	
	2019-20 (1 <sup>st</sup> AE)				Q1	Q2
<b>Total Services</b>	<b>55.3</b>	<b>8.1</b>	<b>7.5</b>	<b>6.9</b>	<b>6.9</b>	<b>6.8</b>
Trade, hotels, transport, communication & services related to broadcasting	18.3	7.8	6.9	5.9	7.1	4.8
Financial, real estate & professional services	21.3	6.2	7.4	6.4	5.9	5.8
Public administration, defence & other services	15.6	11.9	8.6	9.1	8.5	11.6

Source: Ministry of Statistics and Programme Implementation (MoSPI).

Note: Shares are in current prices and growth in constant 2011-12 prices; RE: Revised Estimates. PE: Provisional Estimates, 1<sup>st</sup> AE: 1<sup>st</sup> Advance Estimates.

The moderation in services sector growth during 2019-20 is also reflected in the high frequency indicators, though some recent data suggests that service sector activity. The services Purchasing Managers' Index (PMI) has stabilized in the recent months above the threshold of 50 (above 50 indicates service sector activity is expanding) after having softened during Q4 of 2018-19 and Q1 of 2019-20. Growth in air passenger traffic has begun to show some signs of recovery after having witnessed a slowdown since mid-2018-19. Even the growth in rail freight, which was contracting in the past few months, has picked up in November 2019. In contrast, bank credit to the services sector has continued to decelerate. The growth in bank credit to services sector was 4.8 per cent as on November 2019 as compared to 28.1 per cent a year ago.

**Table 2: Growth (YoY) in Bank Credit to Services Sub-Sectors**

Services Sub-Sectors	Fiscal Year-to-Date Apr-Nov 2019 (per cent)	Fiscal Year-to-Date Apr-Nov 2018 (per cent)
<b>Services</b>	<b>-2.2</b>	<b>9.9</b>
Transport Operators	0.9	6.6
Computer Software	2.8	2.8
Tourism, Hotels & Restaurants	11.4	5.3
Shipping	-13.5	1.1
Professional Services	-0.5	8.4
Commercial Real Estate	9.1	1.0
Bank credit to NBFCs	14.0	14.1
Retail Trade	2.3	2.3
Wholesale Trade*	-13.2	3.1
Other Services	-20.7	16.9

Source: RBI.

Note: \*Other than food procurement.

## FDI Inflows into Services Sector

FDI data from the Department for Promotion of Industry and Internal Trade shows that gross FDI equity inflows (excluding re-invested earnings) into the services sector<sup>1</sup> witnessed a strong recovery during April-September 2019 following a decline in 2018-19. Gross FDI equity inflows jumped by 33 per cent YoY during April - September 2019 to reach US\$ 17.58 billion, accounting for about two-thirds of the total gross FDI equity inflows into India during this period (Table 4). The jump in FDI equity inflows was driven by strong inflows into subsectors such as 'Information & Broadcasting', 'Air Transport', 'Telecommunications', 'Consultancy Services' and 'Hotel & Tourism'.

**Table 4: Gross FDI Equity Inflows\* into Services Sector**

Services Sub-Sectors	Share in FDI Equity Inflows into Services Sector in 2018-19 (per cent)	Gross FDI Equity Inflows (US\$ million)			
		2017-18	2018-19	Apr-Sep 2018	Apr-Sep 2019
Financial, Business, Outsourcing, R&D, Courier, Tech Testing & Analysis	20.6	6,709	9,158	4,915	4,455
Computer Software & Hardware	14.5	6,153	6,415	2,541	4,025
Trading	10.1	4,348	4,462	2,143	2,143
Telecommunications	6.0	6,212	2,668	2,178	4,280
Information & Broadcasting	2.8	639	1,252	58	196
Hotel & Tourism	2.4	1,132	1,076	344	859
Hospitals & Diagnostic Centers	2.4	708	1,045	345	376
Education	1.8	286	777	167	216
Retail Trading	1.0	224	443	256	243
Consultancy Services	0.9	760	411	88	473
Sea Transport	0.6	1,051	279	117	173
Air Transport	0.4	629	191	30	114
Agriculture Services	0.2	110	88	29	23
<b>Gross FDI Equity Inflows into Services Sector (US\$ million)</b>		<b>28,960</b>	<b>28,264</b>	<b>13,209</b>	<b>17,577</b>
<b>Change from Previous Period (per cent YoY)</b>		<b>15.0</b>	<b>-2.4</b>	<b>-20.5</b>	<b>33.1</b>
<b>Gross FDI Equity Inflows into India (US\$ million)</b>		<b>44,857</b>	<b>44,366</b>	<b>22,664</b>	<b>26,096</b>
<b>Share of Services Sector in Gross FDI Equity Inflows into India (per cent)</b>		<b>64.6</b>	<b>63.7</b>	<b>58.3</b>	<b>67.4</b>

Source: Department for Promotion of Industry and Internal Trade (DPIIT).

Note: \*Excludes re-invested earnings.

## Trade in Services Sector

RBI's Balance of Payments data suggests that services exports during April-September 2019 maintained their momentum from 2018-19, with a growth (YoY) of 6.4 per cent. The jump in export growth of travel, software, business and financial services offset the contraction in export growth of insurance and other services (including construction, etc.) (Table 5). The robust growth in business services exports was driven by higher receipts for R&D services, professional and management consultancy services, and technical and trade related services.

Trends in the composition of services exports over the past decade show that the shares of traditional services, such as transport, and value-added services, such as software, financial services and communications, have witnessed a decline. Meanwhile, the share of travel services has increased over the past decade and that of business services has risen slightly. The share of software services has declined by 4 percentage points over the past decade to reach 40 per cent of total services exports in 2018-19. Yet, India's services exports remain concentrated in software services, accounting for twice the share of the second-largest component, business services.



**Table 5: Services Trade Performance by Sub-Sector**

Commodity Group	Share (per cent)		Value (US\$ billion)			Growth (per cent YoY)		
	2008-09	2018-19	2017-18	2018-19	Apr-Sep 2019-20 (P)	2017-18	2018-19	April-Sep 2019-20 (P)
<b>Total Services Exports</b>			<b>195.1</b>	<b>208.0</b>	<b>104.6</b>	<b>18.8</b>	<b>6.6</b>	<b>6.4</b>
Travel	10	14	28.4	28.4	14.6	22.0	0.3	8.2
Transportation	11	9	17.4	19.5	10.5	10.0	11.6	10.8
Insurance	1	1	2.5	2.7	1.2	13.6	6.2	-4.9
GNIE*	0.4	0.3	0.7	0.6	0.3	12.9	-8.1	3.5
Software Services	44	40	77.3	83.5	46.1	4.0	7.9	12.7
Business Services	18	19	37.3	39.1	22.4	13.4	4.7	18.6
Financial Services	4	2	5.2	4.9	2.5	1.3	-5.9	4.3
Communication	2	1	2.1	2.6	1.3	-11.7	22.1	18.3
<b>Total Services Imports</b>			<b>117.5</b>	<b>126.1</b>	<b>64.1</b>	<b>22.6</b>	<b>7.3</b>	<b>7.9</b>
Travel	18	17	19.5	21.7	12.2	18.6	11.2	4.3
Transportation	25	16	17.6	20.5	12.1	24.6	16.6	22.8
Insurance	2	1	1.7	1.8	0.8	13.7	5.3	-0.7
GNIE*	2	1	0.8	1.1	0.6	32.5	40.3	11.9
Software Services	5	5	5.1	5.8	4.0	43.3	13.1	33.7
Business Services	29	32	36.6	40.4	22.9	13.3	10.3	19.6
Financial Services	6	3	5.5	3.5	1.1	-5.4	-37.0	-40.7
Communication	2	1	1.0	1.1	0.6	4.8	18.4	25.1
<b>Services Trade Balance</b>			<b>77.6</b>	<b>81.9</b>	<b>40.5</b>			
<b>Goods Trade Balance</b>			<b>-160.0</b>	<b>-180.3</b>	<b>-84.3</b>			

Source: RBI.

Note: \*GNIE = Government not included elsewhere; P: Preliminary.

This has made the software sector, and therefore overall services exports, susceptible to changes in exchange rate, global IT spending, stringent USA visa norms, and rising cost pressures due to increased local hiring in export destinations. Even though global IT spending, as projected by Gartner in October 2019, is expected to accelerate in 2020, rising production costs and uncertainty related to Brexit and USA's visa norms pose downward risks to India's software exports.

Services import growth (YoY) during April-September 2019 was 7.9 per cent. An increase in import growth for transport, software, communication and business services offset the contraction in imports of financial and insurance services and the slowdown in imports of travel services. Increased business services payments were primarily driven by professional, management and consultancy services, and technical and trade related services.

Net exports of services increased from US\$ 38.9 billion during April-September 2018 to US\$ 40.5 billion during April-September 2019, up 4.1 per cent YoY. The services trade surplus, largely driven by the surplus in software services, financed about 48 per cent of India's merchandise deficit during April-September 2019, partially offsetting the impact on the current account deficit. Besides software services, India runs a small trade surplus in travel, insurance and financial services. However, within travel services, India persistently runs a trade deficit in education services with education imports, i.e., expenditure incurred by Indian students traveling abroad for education purposes on tuition, room and boarding, reaching about US\$ 3 billion in 2018-19. Adding to this other payments for education purposes such as fees paid for correspondence courses abroad, which constitute as payments for receiving education services abroad, there has been a marked increase in India's education services imports in the recent years amounting to US\$ 5.0 billion in 2018-19.

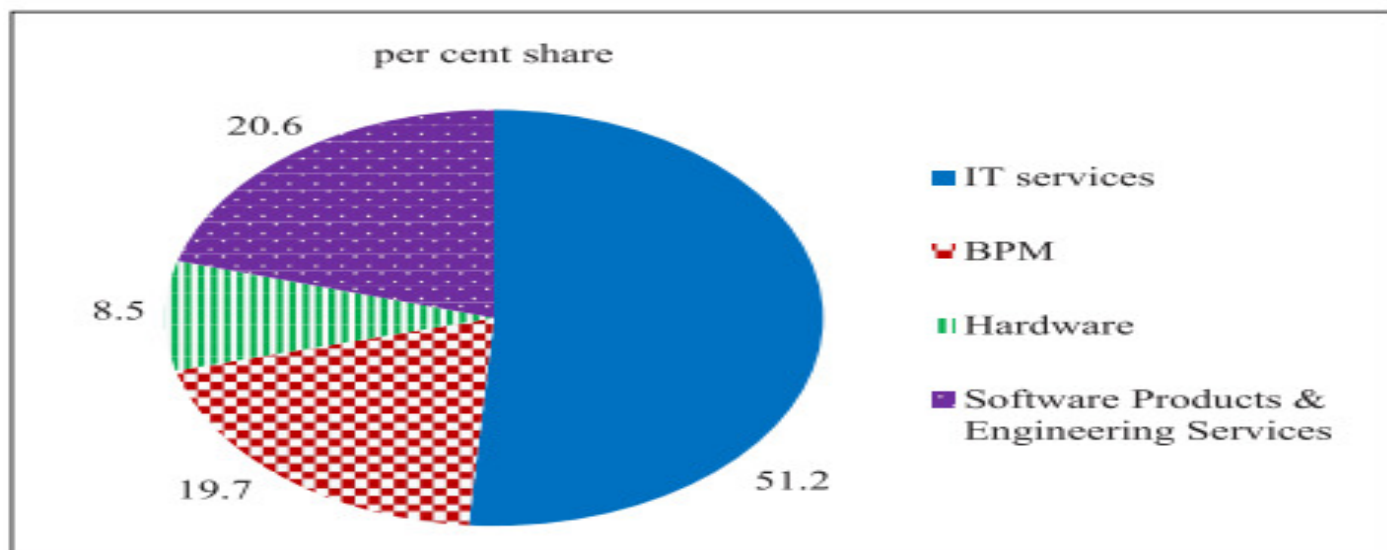
From a long-run perspective, India's focus on boosting services exports during bilateral trade negotiations augurs well for mitigating bilateral trade deficits with trading partners. Looking ahead, world trade volume for goods and services are projected to recover in

2020 following a deceleration in 2019. Global uncertainty, protectionism and stricter migration rules would be key factors in shaping India's services trade ahead.

### Information Technology and Business Process Management (IT-BPM)

The Indian IT-BPM Industry has been the flag-bearer of India's exports for the past two decades, with industry size reaching about US\$ 177 billion in March 2019. The sector contributes significantly to the economy via employment growth and value addition. IT services constituted 51 per cent of the IT-BPM sector in 2018-19, followed by Software & Engineering Services (20.6 per cent share) and BPM Services (19.7 per cent share) (Figure 4). Within the IT-BPM sector, IT services remained the dominant segment with about US\$ 91 billion in revenues in 2018-19. Out of the IT services, digital revenues grew (YoY) more than 30 per cent to reach US\$ 33 billion.

**Figure 4: Sub-Sector Breakdown of IT-BPM Sector in 2018-19**



Source: NASSCOM.

A significant part (about 83 per cent) of the IT-BPM industry (excluding hardware) continues to be export driven, with export revenues in excess of US\$ 135 billion in 2018-19 (Table 8). During 2018-19, the revenue growth (YoY) for IT-BPM sector (excluding hardware) softened to 6.8 per cent from 8.2 per cent in 2017-18. This was driven by a contraction of 0.3 per cent in domestic revenue growth even as export revenue growth accelerated to 8.3 per cent.

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Out of the total US\$ 135.5 billion in exports of the IT-BPM sector in 2018-19, IT services accounted for 55 per cent of the exports, and BPM and Software Products & Engineering services accounted for the remaining 45 per cent with each accounting for almost half of the share. All three sub-sectors witnessed a pickup in export revenues in 2018-19, with IT services growing (YoY) by 7.3 per cent, BPM services by 8.3 per cent and Software Products & Engineering Services by 11.2 per cent.

**Table 8: Exports and Domestic Market Size of Indian IT-BPM Industry  
(Excluding Hardware & E-Commerce)**

Year	US\$ billion			Growth (per cent YoY)		
	Domestic	Exports	Total	Domestic	Exports	Total
2014-15	20.9	97.7	118.6			
2015-16	21.6	107.8	129.4	3.2	10.3	9.1
2016-17	23.8	116.1	139.9	10.4	7.6	8.1
2017-18	26.3	125.1	151.4	10.4	7.8	8.2
2018-19E	26.3	135.5	161.8	-0.3	8.3	6.8

Source: NASSCOM.

Note: E: Estimate.

Looking at export revenues by destination, USA accounts for the bulk of exports, amounting to US\$ 84 billion, which is 62 per cent of total ITBPM exports (excluding hardware) in 2018- 19. This is much larger than the share of exports going to UK, which is the second largest export market for IT-BPM services, with a share of around 17 per cent. Europe (excluding UK) and Asia-Pacific account for 11.4 per cent and 7.6 per cent of the export earnings, respectively Over the past 2-3 years, a number of policy initiatives have been undertaken to drive innovation and technology adoption in the IT-BPM sector, including Start-up India, National Software Product Policy, and removal of issues related to Angel Tax. The Indian start-up ecosystem has been progressing and is now the third largest in the world with 24 unicorns, though the gap with the largest (China: 206) and second largest (USA: 203) markets remains significant. Cities such as Bangalore, Delhi NCR and Mumbai account for around 55 per cent of the total startups in India (Source: NASSCOM study).

(Source - <https://www.indiabudget.gov.in/economicsurvey/>)

## **INFORMATION TECHNOLOGY INDUSTRY OUTLOOK**

The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. India is the leading sourcing destination across the world, accounting for approximately 55 per cent market share of the US\$ 185-190 billion global services sourcing business in 2017-18. Indian IT & ITeS companies have set up over 1,000 global delivery centres in about 80 countries across the world. India has become the digital capabilities hub of the world with around 75 per cent of global digital talent present in the country.

### **Market Size**

The IT-BPM sector in India stood at US\$177 billion in 2019 witnessing a growth of 6.1 per cent year-on-year and is estimated that the size of the industry will grow to US\$ 350 billion by 2025. India's IT & ITeS industry grew to US\$ 181 billion in 2018-19. Exports from the industry increased to US\$ 137 billion in FY19 while domestic revenues (including hardware) advanced to US\$ 44 billion. IT industry employees 4.1 million people as of FY19. Spending on information technology in India is expected to reach US\$ 90 billion in 2019. Revenue from digital segment is expected to comprise 38 per cent of the forecasted US\$ 350 billion industry revenue by 2025.

### **Investments/ Developments**

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 43.58 billion between April 2000 and December 2019 and ranks second in inflow of FDI, as per data released by the Department for Promotion of Industry and Internal Trade (DPIIT).

Leading Indian IT firms like Infosys, Wipro, TCS and Tech Mahindra, are diversifying their offerings and showcasing leading ideas in blockchain, artificial intelligence to clients using innovation hubs, research and development centres, in order to create differentiated offerings.

Some of the major developments in the Indian IT and ITeS sector are as follows:

- In January 2020, Nippon Telegraph and Telephone, a Japanese tech announced its plans to invest a significant part of its US\$ 7 billion global commitment for data centres business in India over the next four years.
- In February 2020, Tata Consultancy Services has bagged a contract worth Rs 10,650 crore (US\$ 1.5 billion) from pharma company Walgreens Boots Alliance.
- Total export revenue of the industry is expected to grow 8.3 per cent year-on-year to US\$ 136 billion in FY19.
- UK-based tech consultancy firm, Contino, has been acquired by Cognizant.
- In May 2019, Infosys acquired 75 per cent stake in ABN AMRO Bank's subsidiary Stater for US\$ 143.08 million
- In June 2019, Mindtree was acquired by L&T.
- Nasscom has launched an online platform which is aimed at up-skilling over 2 million technology professionals and skilling another 2 million potential employees and students.
- Revenue growth in the BFSI vertical stood at 6.80 per cent y-o-y between July-September 2018.
- As of November 2019, there were 417 approved SEZs across the country where 274 are of IT & ITeS and 143 are exporting SEZs.
- PE investments in the sector stood at US\$ 3.6 billion in Q3 2019.

#### Government Initiatives

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

- On May 2019, the Ministry of Electronics and Information Technology (MeitY) launched the MeitY Startup Hub (MSH) portal.
- In February 2019, the Government of India released the National Policy on Software Products 2019 to develop India as a software product nation
- The government has identified Information Technology as one of 12 champion service sectors for which an action plan is being developed. Also, the government has set up a Rs 5,000 crore (US\$ 745.82 million) fund for realising the potential of these champion service sectors.
- As a part of Union Budget 2018-19, NITI Aayog is going to set up a national level programme that will enable efforts in AI<sup>^</sup> and will help in leveraging AI<sup>^</sup> technology for development works in the country.
- In the Interim Budget 2019-20, the Government of India announced plans to launch a national programme on AI\* and setting up of a National AI\* portal.
- National Policy on Software Products-2019 was passed by the Union Cabinet to develop India as a software product nation.

#### Road Ahead

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Export revenue of the industry is expected to grow 7-9 per cent year-on-year to US\$ 135-137 billion in FY19. The industry is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue.

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



## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year.*

*In this section, a reference to the “Company” or “we”, “us” or “our” means Ksolves India Limited. All financial information included herein is based on our “Financial information of our Company” included on page 129 of this Draft Prospectus.*

### **Overview**

We are an ISO certified software services and product company offering solutions that enables client organizations to rapidly develop powerful applications addressing their strategic business needs. The applications created by us enable organizations to drive digital transformation and competitive differentiation. This may include automation of routine business functions, making them faster, easier and more accurate and increasing the channels or devices through which these functions can be performed. Our Company is basically engaged in software development, enterprise solutions and consulting, providing a range of Information Technology (“IT”) solutions to companies across sectors such as Real Estate, E-commerce, Finance, Telecom and Healthcare etc. We design, develop and maintain software systems and solutions, create new applications and enhance the functionality of our customer’s existing software products.

Our Company was founded in the year 2014 by Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma. Ksolves started off its journey as a custom application development company with few developers. Over the years, the company expanded immensely with team of strong and dedicated developers who work to offer impeccable development services to our customers worldwide in the various fields of software development, mobile development, Salesforce development, and a whole suite of other software applications in the market. The company also works on latest and trending technologies like Salesforce, AI, AR/VR, IoT, Chatbot, etc. Our clients trust is something that has made us reach so far. We are known and trusted for experience, knowledge, value, and our ability to deliver the solutions under all circumstances.

Ksolves endeavours to bring together creativity and knowledge with positive business strategy to furnish the requirements of diverse customers with an inclusive range of products and services which are comprehensive and cost effective so that the client can focus on their core-competencies to improve or expand their businesses. Ksolves have worked for numerous industries, realized their true potential and scale to global recognition such as for *Real Estate* - delivered customized solutions like integrating virtual tours of properties, IDX/MLS integration etc. that have helped them serve their customers better; *Education and Learning* - conceptualizing and delivering a knowledge network to building creative subject specific apps; *E-commerce and Retail* - delivering customized solutions such as setting up ecommerce stores using requirement appropriate store platforms, delivering innovative supply management solutions and modernizing ERP solutions etc. which improve traffic, retain existing customers and grow their businesses to greater milestones; *Social Media and Networking* – providing our expertise to help social media and networking firms in maximizing their deliverables across channels; *Logistics* - devising customized operations management systems to providing decision support and analytics through data consolidation, data warehousing etc.; *Healthcare* – providing engineering solutions for efficient patients record management to dishing out customized software requirements; *Tech & Software* – providing product engineering and development services to big data and business analytics related services; *Life Sciences* - providing them with top-of-the-line customized solutions that can help them reach their goals better and faster; *CRM* – providing Salesforce expertise for tracking every sales activity-each lead, customer and opportunity and be up-to-date with latest information and insights that help for better management of customer relationship; *Travel* - successfully developed a location based on-demand taxi app with full FAC payment integration, Google Map integration and Twilio integration for sending messages to users.

Additionally, our Company has acquired 100% stake in Kartik Solutions Private Limited in the year 2019 which become wholly owned Subsidiary company of our Company. Our Subsidiary Company is engaged in providing IT and IT Enabled Services which include mobile application development, web solutions, E-commerce solutions and cloud solutions.

Our Company’s revenue is predominantly generated from exports sales and we are providing our Information Technologies services to clients over 30 countries and over 80% of sales comes from North American Clients.

For the year ended March 31, 2020, our Company's Total Standalone Income and Restated Standalone Profit after Tax were Rs. 814.51 Lacs and Rs. 67.19 Lacs respectively. For the year ended March 31, 2019, our Company's Total Standalone Income and Restated Standalone Profit after Tax was Rs. 542.62 Lacs and Rs. 15.83, compared to our Company's Total Standalone Income and Restated Standalone Profit after Tax of Rs. 340.85 Lacs and Rs. 5.50 Lacs respectively, over previous year ended i.e. March 31, 2018.

## OUR STRENGTHS

### *Customer satisfaction and revenues from long standing customer relationships*

We have long-standing relationships with our customers across the world. This is, in part, due to the high criticality of our product & services and technical knowhow to many of our customer's business needs. We establish long-term relationships with our customers for multi-layered engagement with various departments and divisions of the customer's organizations. Our broad range of product and services offerings helps us to cross-sell to our existing customers as well as to acquire new customers. We also conduct regular senior management reviews with our key customers to engage with them for feedback and future opportunities.

We combine our comprehensive range of product and service offerings with industry-specific expertise to provide tailored solutions to our customers across business verticals, industries and geographies. Our commitment to customer satisfaction enables us to strengthen our relationships.

We offer direct support to our customers and channel partners through a large global support and implementation team resulting in a quick turn-around and resolution to issues. Specialized center of excellence teams have been set up for certain products and solutions to guide and train both implementation partners and customers on best practices for effective and quick implementations.

### *Experienced Promoters and Management Expertise*

Our Company is promoted by Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma who individually have approximate 15 years and 7 years of experience respectively. Having gained experience and worked with technology companies like Tech Mahindra, Birlasoft (India) Limited, HSBC and Persistent Systems, Mr. Ratan Kumar Srivastava ideated the incorporation of Ksolves in the year 2014. He was aided by Mrs. Deepali Verma who has vast experience in setting up business and handling overall finances further, our board of directors are supported by a team of well experienced and qualified personnel. For further details regarding the educational qualifications and experience of our Board of Directors and our Key Managerial Personnel please refer to chapter titled "Our Management" beginning on page 111 of this Draft Prospectus. We believe that our management team's experience and their understanding of the IT industry, specifically in the Real Estate, E-commerce, Finance, Telecom and Healthcare industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business.

### *Diversified revenue from multiple geographies*

Our Company have diversified revenue from multiple geographical reach across the world and 100% of revenue are generated from exports sales from various countries. As an IT products & service company, our presence in multiple geographies as service provider not only helps us in expanding our client base but also helps us by keeping ourselves in tune with the latest technological advancements world-wide. Our revenue-split from various geographies in recent periods is set out below:

Geographical Areas	Fiscal 2020		Fiscal 2019		Fiscal 2018	
	(In Lakhs)	(In %)	(In Lakhs)	(In %)	(In Lakhs)	(In %)
North America	711.02	87.34	479.25	88.46	309.45	90.90
Europe	87.97	10.81	55.92	10.32	27.13	7.97
Others	15.11	1.85	6.62	1.22	3.85	1.13
<b>Total Revenue from operations</b>	<b>814.10</b>	<b>100.00</b>	<b>541.79</b>	<b>100.00</b>	<b>340.43</b>	<b>100.00</b>

### *Focused on driving innovation*

We are focused on driving innovation and adopting solutions in line with rapidly evolving technological trends. Our inherent culture of innovation has enabled us to develop a track record of product innovation, expand the range of our offerings and improve the

delivery of our products and services. We have a dedicated team of skilled individuals with technical background and domain expertise in each of our industry verticals with a focus on evolving technologies. These teams follow a structured innovation and solutions development process and work with delivery functions to identify the key concerns of our customers and generate solutions, ideas and concepts to address such concerns.

We believe that our culture of innovation has enabled us to grow and retain our customer relationships and successfully achieve process and productivity improvement for our customers. This has enabled us to continuously expand and diversify our product and service offerings, as well as to maintain our competitiveness.

#### ***Diversified business across several industrial verticals***

Our customers have used our platform to build diverse applications in many sectors. As of March 31, 2020, applications and software were built on our platform in different industrial verticals. We possess multi-vertical industry expertise and target a broad spectrum of services in our business and product offerings. Our revenues from customers across various sectors in recent periods are set out below:

(Amount in Lakhs)			
<b>Sector</b>	<b>Fiscal 2020</b>	<b>Fiscal 2019</b>	<b>Fiscal 2018</b>
Ecommerce	97.50	117.19	95.23
Electronics & Communication	19.15	0.00	0.00
ERP Product	33.30	0.00	0.00
Financial Services	29.54	18.64	0.00
Healthcare	87.89	93.92	55.10
Logistics	30.76	4.49	0.00
Power & Utility	42.79	55.85	0.00
Services	374.25	129.17	115.20
Telecom	42.20	101.53	45.20
Others	56.72	21.00	29.70
<b>Total Revenue from operations</b>	<b>814.10</b>	<b>541.79</b>	<b>340.43</b>

This has helped us build solution frameworks which are enriched with domain knowledge from the relevant sector and subject matter experts across several industries. These frameworks have been built on our platform and are scalable and adaptable based on a particular customer's unique and constantly evolving business needs.

#### ***Scalable Business Model***

Our business model is order driven, and comprises of optimum utilization of our existing resources, developing linkages with expertise of our development team and achieving consequent customer satisfaction. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale by venturing into different sectors where technologically advanced management is required and also by providing better products and solutions in the sectors that we already have presence in. The business scale generation is basically due to the development of new markets both international and domestic, innovation in the product range and by maintaining the consistent quality of the products and services.

### **OUR STRATEGIES**

#### ***Expand our Current Business Relationships***

Our goal is to build long-term sustainable business relationships with our customers to generate increasing revenues. We plan to continue to expand the scope and range of services provided to our existing customers by continuing to build our expertise in major industries and extending our capabilities into new and emerging technologies. In addition, we intend to continue to develop better solutions and new products for industry sectors which are significantly untapped. We will also seek to support a greater portion of the full product development life-cycle of our customers by offering targeted services for each phase of the software product life cycle. We also plan to assist our customers as they deploy their products to end-users through consulting and professional services that we offer onsite. In addition, we intend to continue to build relationships with various global companies as business partners which can provide us with better benefit by introducing local clients.

### *Attract, develop and retain highly-skilled employees*

Our employees are one of our most important assets. We focus on the quality and level of service that our employees deliver by investing in recruitment, development, retention, maintenance of a culture of innovation and by creating both a challenging and rewarding work environment. Our talent development strategy focusses on engaging, motivating and developing a high performing workforce and we aim to create and sustain a positive workplace culture for our employees and benchmark ourselves against our peers. We also have a competency training framework, seamlessly integrated into our business that has been designed for new employees to be “project-ready” .

### *Focus on efficiency*

Our goal is to help our customers with our products and solutions, in turn enabling them to deliver their products more efficiently. We have been building products and solution and providing services to leading companies. We have innovated and customized software processes that allow us to monitor and plan the progress of software projects. We have well-trained teams, pre-built frameworks and partnerships with other product companies that allow us to integrate product components and deliver products for our customers efficiently. This helps in reducing time to market and reducing the risk of engineering failures.

### *Optimal Utilization of Resources*

Our Company constantly endeavors to improve our technical process, and will increase service activities to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for our technical and designing process which enables us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

### *Invest in infrastructure and technology*

Our Company believes in making investments for continuously achieving higher levels of excellence in its products & services and implement dynamic and diverse specifications of our customers. We have invested significantly in equipping our technical team with the latest and specialized infrastructure and modern technology. We want to continue to work towards the upgradation and modernization of our infrastructure and technology.

## **OUR SERVICES**

<b>Mobile Apps - iOS App Development Services</b>	
<b>Mobile Apps - Android App Development Services</b>	
<b>Javascript - Node.js Development Services</b>	
<b>Javascript - ReactJS Development Services</b>	
<b>Salesforce - Development Services</b>	
<b>Other - AWS Serverless Development Services</b>	
<b>Big Data - Apache Cassandra Services</b>	
<b>Big Data - Apache Spark Services</b>	
<b>Big Data - NiFi Development Services</b>	
<b>Odoo - Apps Development and Consulting Services</b>	
<b>PHP - Development Services</b>	
<b>RoR - Ruby on Rails Development Services</b>	

## 1. iOS App Development Services: -

Our full-stack iOS App developers provide iOS app solutions of a variety of business requirements. We create fully customizable and compatible iOS applications by using the latest technologies like Objective-C and Swift our development team has all the expertise to create iOS apps for various industries. Our iOS app development services include:

Custom iOS App Development	iOS Apps Migration and Upgradation	iOS App Testing	iOS App Support And Maintenance
<ul style="list-style-type: none"> <li>•Our experienced iOS App developers create unique and flexible iOS Apps that suit our client's business requirements.</li> </ul>	<ul style="list-style-type: none"> <li>•Our iOS App developers keep our client's iOS App updated for a better and enhanced user experience with new versions of iOS.</li> </ul>	<ul style="list-style-type: none"> <li>•Our QA team makes use of the best automation and testing tools for testing the iOS Apps and also follow the best practices to improve the performance of our client's iOS Apps</li> </ul>	<ul style="list-style-type: none"> <li>•Our partnership does not end after the development of the iOS Apps. Whether it is fixing any sort of bugs, or adding new functionality, our talented development team helps you our client's throughout the process.</li> </ul>

## 2. Android App Development Services: -

Our proficient Android App development team provides Android mobile development services that are client-focused, customer-centric and are known to drive tangible business results. Our Android App development services include:

Custom Android App Development	Development And Maintenance	Android App Support And Maintenance
<ul style="list-style-type: none"> <li>•To create an Android App from scratch or need to streamline their existing functionality, our experienced development team will do that for you efficiently and cost-effectively.</li> </ul>	<ul style="list-style-type: none"> <li>•We create Android Apps that are easy-to-use, highly functional, robust and work wonderfully irrespective of the screen size and resolution.</li> </ul>	<ul style="list-style-type: none"> <li>•Our partnership does not end after the creation of the Android Apps. Whether it is fixing any sort of bugs, or adding new functionality, our talented development team helps our clients throughout the process.</li> </ul>

## 3. Node.js Development Services: -

From Node.js app consulting, Node.js integration, Node.js web development and more, the team at Ksolves can provide a wide range of services. Our Node.js development services include:

Custom Node.js App Development	Node.js UI/UX Development	Node.js Web Development	Node.js App Support And Maintenance
<ul style="list-style-type: none"> <li>•Ksolves provides highly experienced and well trained Node.js developers who are known for delivering scalable and secure Node.js applications</li> </ul>	<ul style="list-style-type: none"> <li>•Our developers build interactive UI/UX designs that provide dynamic updates for web apps, in sync to the server.</li> </ul>	<ul style="list-style-type: none"> <li>•Our Node.js developers provide assistance in developing reliable and efficient Node.js projects and support for ongoing projects.</li> </ul>	<ul style="list-style-type: none"> <li>•Our partnership does not end after the development of the application. Whether it is fixing any sort of bugs, or adding new functionality, our talented development team helps you throughout the process.</li> </ul>

#### 4. ReactJS Development Services: -

From ReactJS application consulting, ReactJS integration, ReactJS application development and more, the team at Ksolves can provide a wide range of services. Our ReactJS development services include:

Custom ReactJS App Development	ReactJS UI/UX Development	ReactJS Web Development	ReactJS App Support And Maintenance
<ul style="list-style-type: none"> <li>•Ksovles provides highly experienced and well trained ReactJS developers who are known for delivering scalable and secure ReactJS applications.</li> </ul>	<ul style="list-style-type: none"> <li>•Our developers build interactive UI/UX designs that provide dynamic updates for mobile and web apps, in sync to the server.</li> </ul>	<ul style="list-style-type: none"> <li>•Our ReactJS developers provide reliable and efficient ReactJS projects and support for ongoing projects.</li> </ul>	<ul style="list-style-type: none"> <li>•Our partnership does not end after the development of the application. Whether it is fixing any sort of bugs, or adding new functionality, our talented development team helps you throughout the process.</li> </ul>

#### 5. Salesforce Development Services: -

Our experienced Salesforce architects and developers provide architectural and implementation services for customer App development on Force.com platform, CRM consulting, in various phases like solution design, development, testing and support. Our Salesforce development services include:

Salesforce Implementation	Salesforce Integration	Custom Salesforce-Apps Development	Salesforce Consultation
<ul style="list-style-type: none"> <li>•Counted in the best Salesforce development companies list, Ksolves has a proficient team of Salesforce implementation experts to streamline client's business processes, remove all bottlenecks, and identify the features that leave a positive impact on the ROI.</li> </ul>	<ul style="list-style-type: none"> <li>•Our Salesforce developers can integrate multiple applications into Salesforce. Clients hire us for top-notch Salesforce integration services at affordable prices in the enterprise market.</li> </ul>	<ul style="list-style-type: none"> <li>•Get expert help from our Salesforce development team in designing and developing custom Salesforce App. Hire us to get high-quality services and unparalleled results.</li> </ul>	<ul style="list-style-type: none"> <li>•The Salesforce developers at Ksolves, have deep knowledge of Salesforce and collaborate with the customers guiding you on every step of Salesforce implementation services.</li> </ul>

#### 6. AWS Serverless Development Services: -

Ksolves is an early adopter of AWS Serverless development architecture services. We have considerable experience in developing robust and scalable serverless applications. Our Serverless development services include:

- Serverless computing with
  - AWS Lambda,
  - Simple Storage Service
  - API Gateway
  - CloudFront
- Serverless computing strategy design and development
- Serverless Application Troubleshooting and maintenance



## **7. Apache Cassandra Services: -**

Our Apache Cassandra database services expert consultants helps our clients to find the best solutions with the following services:

- Cassandra Administration and Performance/Tuning Management
- Backup and Restore in Cassandra Using Single or Multi Node Architecture
- Migrating Data from RDBMS To NoSQL With Cassandra
- Apache Cassandra Data Security Management
- Multi-Node Cassandra Cluster Management
- Time-series based applications

## **8. Apache Spark Services: -**

Our Big data consulting solutions address all the business problems, and our expert consultants provide high-quality Apache Spark development services:

- ETL services using Apache Spark
- Manipulate Structured Data Using Apache Spark
- Support for Large-scale Data Analysis
- Implement Apache Spark Standalone Cluster
- Apache Spark Resource Administration and YARN App Models
- Interactive Analysis with the Apache Spark Shell

## **9. NiFi Development Services**

Our Apache NiFi consulting and flow development services are used for dealing with bulk amount of data for data ETL and analysis. At Ksolves, we provide the following services:

- Real-Time Stock Processing with Apache NiFi and Apache Kafka
- Implement Apache NiFi as an Orchestration Engine
- Implement NiFi Custom Controller Service
- Real Time IoT Data flow management with Apache Nifi
- Implement Apache Nifi with AWS
- Nifi Cluster Security Management

## **10. Odoo Apps Development and Consulting Services**

Ksolves is providers of Odoo Apps which includes:

- Odoo Apps Development – Ksolves has developed around 49 apps and those are live on Odoo marketplace <https://apps.odoo.com/apps/modules/browse?search=ksolves>.
- Odoo Consulting Services – Ksolves Odoo experts provide business and technology consulting for Odoo platform and Apps.

## **11. PHP Development Services**

Ksolves has its PHP development team which provides the following services:

- PHP Apps Development – Ksolves has its PHP development team and provides custom application development along with support and maintenance services

## **12. Ruby on Rails (RoR) Development Services**

Ksolves is providers of development services in RoR. Ksolves provides the following services:



- PHP Apps Development – Ksolves has its RoR development team and provides custom application development along with support and maintenance services

## OUR SERVICE PROCESS

We follow a 4-step procedure for providing our services:

Requirement Gathering	Initiate the development plan	Quality Assurance	Support and Maintenance
<ul style="list-style-type: none"> <li>We understand the needs of our clients and list down what they need in their business model. We ideate the requirements, understand the market challenges and come up with a solution to make innovative solutions.</li> </ul>	<ul style="list-style-type: none"> <li>After the requirement gathering, we deploy our experienced team of developers to start with the development and help clients explore what's possible with the latest emerging trends and technologies.</li> </ul>	<ul style="list-style-type: none"> <li>We understand the concerns of our clients and just cannot afford a single error from our end, hence, we allot a dedicated Project and Quality Assurance manager for each project to ensure Quality Assurance at every phase of the development cycle. Customers can also communicate with the managers as and when they need it.</li> </ul>	<ul style="list-style-type: none"> <li>Our customer service is our major USP that makes our customers work with us for a longer period. Even after development and deployment, we resolve all of our client's issues and keep the client updated with the latest functionalities.</li> </ul>

## OUR CLIENT BASE

Our cliental base constitutes customers of diverse sectors encompassing various industries such as Real Estate, E-commerce, Finance, Telecom and Healthcare etc.

Our strategy is to seek new customers and at the same time secure additional engagements from existing customers by providing high quality services and cross-selling new services. Our quality standards, unflinching efforts for punctual order completions and our unmatched overall service have resulted in significant recurring revenue from existing customers and also enabled us to garner clients who are some of the leading banking, financial, healthcare, manufacturing, education and telecommunication names in India and abroad.

We believe that our current capabilities and plans for the future ensure that we are well positioned to attract and develop new customer relationships. Business from new customers is accepted upon consideration of factors such as alignment of capabilities and customer expectation, volume of business and future business, potential for close partnership with long-term association, and an analysis of upfront costs.

The following table illustrates the concentration of our revenues among our top customers

Particular	Fiscal 2020		Fiscal 2019		Fiscal 2018	
	Revenue (In Lakhs)	In %	Revenue (In Lakhs)	In %	Revenue (In Lakhs)	In %
<b>Top 5 customers</b>	386.42	47.44%	426.77	78.65%	256.28	75.20%
<b>Top 10 customers</b>	583.68	71.66%	507.86	93.60%	309.82	90.91%

We have developed a long-standing relationship with our clients which include companies like EdCast Inc., Innovate MR LLC, Jeffry Knight Inc., Verified First LLC and Ekogrid Italy Srl etc. Further, we continuously endeavours to increase our cliental base and have a dedicated marketing team at several of our Indian and overseas offices for client acquisition.

## OUR LOCATION: -

<b>Registered Office</b>	H. No B-8/1, Ground Floor, Saidulajab, Delhi, South Delhi -110030 India.
<b>Corporate Office</b>	B-4 Third Floor, Sector 63, Noida -201301, Uttar Pradesh, India

## **PLANT & MACHINERY: -**

As on date of Draft Prospectus, Our Company does not possess any plant & machinery as we are providing services to our customers.

## **CAPACITY UTILIZATION:**

As our Company does have any Plant and Machinery, thus installed capacity or capacity utilization is not applicable.

## **COLLABORATIONS/ TIE – UPS/ JOINT VENTURES: -**

Except as disclosed in this Draft Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date of Draft Prospectus.

## **EXPORT AND EXPORT OBLIGATION: -**

Our Export sales for the last 3 financial years are as mentioned below:

Particulars	For the year ended March 31,		
	2020	2019	2018
<b>Exports Sales (In Lakhs)</b>	<b>814.10</b>	<b>541.79</b>	<b>340.43</b>
<b>% of Total Sales</b>	100%	100%	100%

Our Company does not have any export obligation as on date.

## **UTILITIES AND INFRASTRUCTURE FACILITIES: -**

Our corporate office is located at Noida, Uttar Pradesh. Our offices are equipped with computer systems, servers, relevant software and other communication equipment's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

### **Power**

The company require regular and uninterrupted power supply for our day to day business activates including lightings, systems, etc. adequate power supply is available for all our offices.

### **Water**

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

## **HUMAN RESOURCES**

Our Company believes that our ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. As of March 31, 2020, our Company has 123 employees including senior executives, engineers, developers and administrative staff.

### **Recruitment (talent acquisition):-**

Our talent acquisition philosophy is to recruit for attitude, train for skill and develop for leadership roles. Our Company is committed to helping our employees (including fresher) to develop and grow. We hire talented and experience personnel through recruitment agencies and campus recruitments.

## Retention

Our human resources and compensation practices proactively address the factors that impact retention. These practices include: regular salary reviews, skill & performance related bonuses and established procedures. Our comprehensive Rewards and Recognitions programs honor both individuals and teams who go the extra mile to contribute to organizational growth. These programs and opportunities help to ensure that our employees are motivated and performance oriented.

## **SALES AND MARKETING: -**

Our success lies in the strength of our relationship with our customers. Our Chairman & Managing Director and whole-time Director, through their vast experience and good rapport with customers owing to timely and quality delivery of services plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, we regularly interact with them and focus on gaining an insight into their other additional needs and requirements. Our after-sale service and quality of work is the prime focus for maintaining the customers and increasing our customer through mouth publicity. We have already well-established market and the company has very good reputation among its customers and suppliers.

Ksolves' Sales and Marketing initiatives cater to finding prospective clients and catering to their specific pain points by establishing contact through various mediums like Digital Marketing, Email Marketing, LinkedIn Marketing, Cold-calling and one-on-one personal contact. This strategy is followed for both our products and services clients.

The various platforms that they employ to achieve their monthly targets includes DiscoverOrg, linkedin and Sendgrid.

Accordingly, to Ksolves, in today's social media age, we have unlimited ground to cover and even contact clients on unconventional mediums. Hence, we have a strong social media presence on all the trending social media platforms. Their idea is to forge a bond and ensure that we add value to their lives rather than blatantly selling them our products and services.

## **COMPETITION: -**

The market for IT Products and Services is both, highly competitive and rapidly evolving. It has evolved into a consolidated global industry and we face competition in markets. We primarily face competition from the small and large IT services companies as well as international technology services companies which offer broad-based services, offshore captive centers of global corporations and technology firms. We anticipate this competition to continue to grow as the demand for these services increases and we also expect additional companies to enter the market.


Further, Clients that presently outsource a significant proportion of their IT service requirements to vendors may seek to reduce their dependence on one country and outsource work to other offshore destinations such as China, Russia and Eastern European countries. Also, many countries have the advantage of being located in proximity to our main export markets of American and European countries. We also face competition from other countries mainly in US and European countries that have advanced technology and ability to cater to large scale businesses in different parts of the world.

We have a number of competitors offering products and services similar to us. We believe the principal elements of competition in IT industry are price, timely delivery and reliability and most importantly our pace in keeping up with the required changing technology in the industry. We believe that our cost effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in many of our products.

## **PROPERTY: -**

### **Intellectual Property**

Set forth below are the trademarks registered/abandoned/objected in the name of our Company under the Trademarks Act, 1999: -

S.No.	Logo/ Trademark	Class	Nature of Trademark	Owner	Application No. & Date
1.	Trademark	42	 <b>KSOLVES</b> Emerging Ahead Always	Ksolves India Private Limited	Trade Mark No. – 3287208 Date of Certificate – 30/03/2017

The Details of Domain Name registered on the name of the Company is: -

S.No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Registrant Name	Creation Date	Registration Expiry Date
1.	Domain Name – KSOLVES.COM Domain Id – 1855215341_DOMAIN_CO M-VRSN	Sponsoring Registrar – GoDaddy.com, LLC IANA ID - 146	Ratan Srivastava	18/04/2014	18/04/2025

The Registrant has assigned the domain name in favor of the company with exclusive right and entitlements vide transfer agreement dated April 29, 2020.

### **IMMOVABLE PROPERTY**

Details of our properties are as follows: -

#### **Properties owned/Leased by the Company**

S. No.	Details of the Property	Licensor/Lessor /Vendor	Owned/ Leased	Consideration/ Lease Rental/ License Fees (in Rs.)	Use
1.	H. No B-8/1, Ground Floor, Saidulajab, Delhi, South Delhi -110030 India.	Mr. Chandan Kumar	Leased	Agreement for Lease* dated April 01, 2020 between Mr. Chandan Kumar and Ksolves India Private Limited through Mr. Ratan Kumar Srivastava for the period 11 Months starting from April 01, 2020 to February 28, 2021 at monthly rent of 10000/-.	Registered Office
2.	Suite No. 1, Block No. B Building No. 4 i.e B-4 Third Floor, Sector 63, Noida - 201301, Uttar Pradesh, India	Rally Infra Private Limited	Leased	Master Office Service Agreement dated July 24, 2019 between Rally Infra Private Limited through authorised signatory Mr. Vikas Sharma and Ksolves India Private Limited through Mr. Ratan Kumar Srivastava for period of three years effective from August 10, 2019 to August 09, 2022 at monthly rent of Rs. 6,00,000 plus applicable taxes.	Corporate Office

\* The Agreement for Lease is not on stamp paper due to lock-down situation in all parts of India.

## **KEY INDUSTRY REGULATIONS**

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 199 of this Draft Prospectus.*

### **The Companies Act, 2013**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act, 1956 is still applicable to the extent not replaced.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **Laws relating to Employment**

As part of business of the Company it is required to comply from time to time with certain laws in relation to the employment of labour. A brief description of certain labour legislations which are applicable to the Company is set forth below:

#### **Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, as amended (the “EPF Act”)**

The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the GoI from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees’ provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

#### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer’s contribution and also Central Government’s contribution to the insurance fund shall be credited to an account called as “Deposit-Liked Insurance Fund Account.”

#### **The Employees’ Pension Scheme, 1995**

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who became a member of the EPF or PF of the factories provided that the age of the employee should not be more than

59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

#### **Employees State Insurance Act, 1948, as amended (the “ESIC Act”)**

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

#### **Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed ` 1 million.

#### **Industrial Disputes Act, 1947, as amended (the “ID Act”)**

The ID Act provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

#### **Payment of Bonus Act, 1965, as amended (the “PoB Act”)**

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

#### **Equal Remuneration Act, 1979:**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

#### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001:**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

#### **Workmen’s Compensation Act, 1923**

The Workmen’s Compensation Act, 1923 (—WCA) has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases

resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/ loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **Industrial Employment (Standing Orders) Act, 1946**

In order to strengthen the bargaining powers of the workers this act is established, it requires the employers to formally define the working conditions to the employee. The employer is required to submit five copies of standing orders required by him for adoption of his industrial establishment. The standing order shall unless in case of an appeal, come into operation on the expiry of thirty days from the date on which authenticated copies were sent. An employer failing to submit the draft standing order as required by the act shall be liable to pay fine as per section 13 of the act. Only Metropolitan Magistrate Court or Judicial Magistrate of second class shall try offence under this act.

### **Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA Act”)**

In respect of each of its facilities, the Company uses the services of certain licensed contractors who in turn employ contract labour whose number exceeds 20 in respect of each facility. Accordingly, the Company is regulated by the provisions of the CLRA Act which requires the Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act requires the principal employer of an establishment to which the CLRA Act applies to make an application to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

This Act has been enacted with an aim to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It is applicable to every establishment employing five or more inter-state migrant workmen or having employed in the past twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen in the past twelve months. Every Principal Employer of the establishment employing inter-state migrant workmen has to make an application for the registration of the establishment in the prescribed manner and time. Also, a contractor employing inter-state migrant



workmen has to obtain a license for the same from the licensing officer appointed for the purpose by the Central or the State Government. The license is valid only for a specified period and requires to be renewed at its expiry. The Act levies some duties on the principal employer and the contractor. The contractor has to provide for adequate wages, medical facilities and other benefits while it is the responsibility of the principal employer to provide for the displacement allowance and journey allowance to the workmen.

### **Apprenticeship Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,**

The Apprentices Act, 1961 was enacted with the objective of regulating the program of training of apprentices in the industry by utilizing the facilities available therein for imparting on-the-job training. The National Policy of Skill Development and Entrepreneurship 2015, launched by the Hon'ble Prime Minister on 15th July, 2015, focuses on apprenticeship as one of the key program for creating skilled manpower in India. The Apprentices Act, 1961 makes it obligatory for employers to engage apprentices under a duly executed contract, in designated trades and in optional trades. Directorate General of Training (DGT) under Ministry of Skill Development & Entrepreneurship monitors the implementation of the scheme of apprenticeship training. All establishments having work force (regular and contract employees) of 30 or more are mandated to undertake Apprenticeship Programs in a range from 2.5% -15% of its workforce every year.

## **INDUSTRY SPECIFIC REGULATIONS**

### **Information Technology Act, 2000 and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.**

Since our Company is involved in the business of software development, providing real time solutions at the place of the Clients and development of tailor made systems at the clients' place at their specifications using computer or computerized system. During the course of development of such products, we interchange sensitive information, data, records, functions, security procedures and like and hence our working is governed by Information Technology Act, 2000. This act governs and provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as —electronic commerce. It also gives legal recognition to Digital Signatures and facilitates storage of data. The Act is applicable to any offence or contravention committed outside India as well. If the conduct of person constituting the offence involves a computer or a computerized system or network located in India, then irrespective of his/her nationality, the person is punishable under the Act.

### **The Sale of Goods Act, 1930 (Sale of Goods)**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by installments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer's right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc. The Registration Act, 1908 The Registration Act, 1908 (Registration Act) was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was 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. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

## **Tax Laws**

### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like

those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

### **Goods and Service Tax (GST):**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise— goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 Lakh would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 Lakh. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 Lakh (50 Lakh in case of special category states) may opt for composition levy. Under GST goods and services are taxed at the rate of 0%, 5%, 12%, and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rate supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he became liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration number known as Goods and Services Tax Identification Number. In case a person has multiple business verticals in location in a state, a separate application will be made for registration of each and every location. The registered assesses are then required to pay GST as per the rules applicable thereon and file the appropriate return as applicable thereon.

### **Consumer Protection Act, 1986**

The Consumer Protection Act, 1986 (“COPRA”) aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.

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

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside

India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations:**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

### **Foreign Trade Policy 2015-2020:**

FTP 2015-20 provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in line with the 'Make in India' programme. It introduces two new schemes, namely 'Merchandise Exports from India Scheme (MEIS)' for export of specified goods to specified markets and 'Services Exports from India Scheme (SEIS)' for increasing exports of notified services.

### **Laws relating to Intellectual Property**

In India, trademarks enjoy protection both statutory and under common law. The Trademarks Act, 1999, as amended ("Trademarks Act"), the Copyright Act, 1957, as amended ("Copyrights Act"), The Patents Act, 1970, as amended ("Patents Act"), and the Designs Act, 2000, as amended ("Designs Act"), amongst others govern the law in relation to intellectual property, including brand names, trade names and service marks, layout and research works.

#### **Trademarks Act**

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

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

#### **Copyrights Act**

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

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

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.

### **Patents Act**

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

### **The Designs Act, 2000 (Designs Act)**

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

### **Approvals from Local Authorities**

Setting up of a factory or manufacturing entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

### **The Delhi Shop & Establishments Act, 1954 and Delhi Shops & Establishment Rules, 1954**

The Company has its Registered office in the National Capital Territory, Delhi. Accordingly the provisions of the **Delhi Shop & Establishments Act, 1954 read with Delhi Shops & Establishment Rules, 1954** are applicable to the Company. The provisions of the Act regulates the Conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

### **The Uttar Pradesh Dookan Aur Vanijya Adhithan Adhiniyam, 1962**

The Company has its Corporate office in the state of Uttar Pradesh. Accordingly the provisions of the **Uttar Pradesh Dookan Aur Vanijya Adhithan Adhiniyam, 1962** are applicable to the Company. The provisions of the Act regulates the Conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

### **Competition Act, 2002, as amended (the “Competition Act”)**

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

and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### **Property related laws**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

In addition, regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states.

Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other authorized agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate. Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually colored remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/-.

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

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Other regulations**

In addition to the above, the Company is required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.



## **HISTORY AND CORPORATE STRUCTURE**

### **Brief History and Background**

Our Company was originally incorporated on July 17, 2014 as “Keyon Softwares Private Limited” vide Registration No. 269020/2014-2015 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Delhi. Further, our Company has changed its name from “Keyon Softwares Private Limited” to Ksolves India Private Limited” vide Special Resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on September 27, 2014 and a fresh certificate of incorporation dated October 14, 2014 issued by the Registrar of Companies, Delhi. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Ksolves India Private Limited” to “Ksolves India Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on April 25, 2020 and a fresh certificate of incorporation dated April 28, 2020 issued by the Registrar of Companies, Delhi.

Our Company was originally promoted by Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma who were the initial subscribers to the Company’s Memorandum and Articles of Association and also they are Present Promoters of the Company.

As on date of this Draft Prospectus, our Company has Seven (7) shareholders.

For information on our Company’s profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections entitled “Industry Overview”, “Our Business”, “Our Management”, “Financial information of our Company” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 77, 88, 111, 129, and 180 respectively.

### **Address of Registered Office:**

The Registered Office of the Company is situated at H.No. B-8/1, Ground Floor, Saidulajab, South Delhi, Delhi - 110030, India.

### **Changes in Registered Office of the Company since incorporation**

There has not been any change in our Registered Office since incorporation till date of this Draft Prospectus except below change:

<b>From</b>	<b>To</b>	<b>With effect from</b>	<b>Reason for Change</b>
E-5 F/F Left Side (Old No. 133), Western Marg, Lane No. 1, Saidulajab, New Delhi, South West Delhi, India	H. No B-8/1, Ground Floor, Saidulajab, Delhi, South Delhi, India	June 07, 2018	Administrative Convenience

### **Our Main Object**

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on the business of providing Consultancy Services in the field of Software Development, Software Maintenance, Software Testing, Website Development, Website Testing and Maintenance of Website and to take all Annual Assignments from the Corporates i.e. AMC and to execute all other online applications in the field of Software and Technology Solutions in their related activities.
2. To develop, produce, alter, acquire/buy, sell, import, export, licence, or otherwise deal in computer software and programmes of all kinds and for all use including but not limited to computer aided engineering, software for micro processor based systems, manufacturing computer aided graphics, operation maintenance and services of plants and equipment and software for banks and other services industry, for special applications and for any other purpose application or use and to provide services of all kinds relating to computer, computer software and programmes and systems.
3. To develop, improve, manufacture, produce, buy, sell, import, export, exchange and or otherwise deal in all kinds of equipment, electrical, electronic or otherwise and further all kinds of computer and micro processor based systems, their parts, components and systems, computer hardware and accessories, and related equipment, computerized magnetic tapes, magnet

drums, magnetic discs, magnetic cards, magnetic core, magnetic tools and to produce, buy, sell or otherwise deal in all kinds of computer hardwares, softwares, their programmes, and accessories.

4. To carry on the business of designing and developing reverse communication and to carry on the business in India and abroad of buyers, sellers, agents, consultants, advisors, render, services, programmers, systems integrating and designers of software solutions, CRM solutions, selling of band width, any software, hardware (components) and consultancy for all centers, learning solutions, software integrating software installation, computer system, work station system, system analysis, designer of computer graphics, multimedia services, industrial design, animations, simulation, molecular modeling, conversion data storage, computer output microfilming, software, implementation, system study, software package, software documentations, computer aided design, computerized system, information systems and information technology solutions based on the use of computers.

### Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr.No.	Particulars	Date of Meeting	Type of Meeting
1.	The Name of the Company was change from Keyon Softwares Private Limited to Ksolves India Private Limited and Company has received fresh Certificate of Incorporation dated October 14, 2014 for change in name.	September 27, 2014	Extra-Ordinary General Meeting
2.	Increase in Authorised Capital of the Company from Rs. 1,00,000 (One Lakhs) divided into 10,000 equity shares of Rs. 10/- each to Rs. 2,00,000 (Two Lakhs) divided into 20,000 equity shares of Rs. 10/- each	July 27, 2018	Extra-Ordinary General Meeting
3.	Increase in Authorised Capital of the Company from Rs. 2,00,000 (Two Lakhs) divided into 20,000 equity shares of Rs. 10/- each to Rs. 1,60,00,000 (One Crore and sixty Lakhs) divided into 16,00,000 equity shares of Rs. 10/- each	March 21, 2020	Extra-Ordinary General Meeting
4.	Conversion of Company into Public limited Company and change in name of company from Ksolves India Private Limited to Ksolves India Limited vide fresh Certificate of Incorporation issued by Registrar of Companies, Delhi dated April 28, 2020	April 25, 2020	Extra-Ordinary General Meeting

### Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated April 28, 2020

### Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
2015	Incorporation of the Company in the name and style of “Keyon Softwares Private Limited”
2015	Changed its name from “Keyon Softwares Private Limited” to “KSolves India Private Limited”.
2019	Acquire 100% stake in Subsidiary Company i.e Kartik Solutions Private Limited
2020	Converted into Public Limited Company vide fresh certificate of incorporation dated April 28, 2020

### Other Details about our Company

For details of our Company’s activities, products, growth, technology, marketing strategy, competition and our customers, please refer section titled “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis for Issue Price” on pages 88, 180 and 72 respectively of this Draft Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “Our Management” and “Capital Structure” beginning on pages 111 and 56 of this Draft Prospectus respectively.



## Acquisition of Business/Undertakings & Amalgamation

Except as disclose in this Draft Prospectus, there has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

## Holding Company

As on the date of this Draft Prospectus, our Company is not a subsidiary of any company.

## Subsidiary of our Company

Our company does not have any Subsidiaries/Holdings and Joint Ventures except mentioned below;

<b>Name of Subsidiary Company</b>	Kartik Solutions Private Limited
<b>Nature of Business</b>	Information Technology & Information Technology Enabled Services
<b>Capital Structure as on the date of this Draft Prospectus</b>	This is a Wholly Owned Subsidiary of our Company so that as on the date of Draft Prospectus our company is holding entire 10,000 equity share amounting to 100% equity share capital in Kartik Solution Private Limited.
<b>Amount of Accumulated profits or losses of the subsidiary (ies) not accounted for by our company</b>	Kartik Solutions Private Limited has become subsidiary of our company w.e.f. October 01, 2019. Our company will account all profits and losses of Kartik Solutions Private Limited as per applicable accounting standard.  Till the date of this Draft Prospectus there are no Accumulated profits or losses of the subsidiary (ies) not accounted for by our company.

## Capital raising (Debt / Equity)

For details in relation to our capital raising activities through equity, please refer to the chapter titled “Capital Structure” beginning on page 56 of this Draft Prospectus. For details of our Company’s debt facilities, please refer section “Financial Indebtedness” on page 194 of this Draft Prospectus.

## Time and Cost overruns in setting up projects

There has been no time / cost overrun in setting up projects by our Company.

## Injunction or restraining order

There are no injunctions/ restraining orders that have been passed against the Company.

## Revaluation of Assets

Our Company has not revalued its assets since incorporation

## Defaults or Rescheduling of borrowings with financial institutions/banks and Conversion of loans into Equity Shares

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of this Draft Prospectus. Furthermore, except as disclosed in chapter titled “Capital Structure” beginning on Page 56 of this Draft Prospectus, none of the Company’s loans have been converted into equity in the past.

## Lock-out or strikes

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

**Shareholders of our Company:**

Our Company has Seven (7) shareholders as on the date of this Draft Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “Capital Structure” beginning on page 56 of this Draft Prospectus.

**Changes in the Management**

For details of change in Management, please see chapter titled “Our Management” on page 111 of this Draft Prospectus.

**Changes in activities of our Company during the last five (5) years**

There has been no change in the business activities of our Company during last five (5) years from the date of this Draft Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in chapter titled “Management’s discussion and analysis of financial conditions & results of operations” beginning on page 180 of this Draft Prospectus.

**Shareholders Agreements**

As on the date of this Draft Prospectus, there are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

**Collaboration Agreements**

As on the date of this Draft Prospectus, our Company is not a party to any collaboration agreements.

**Material Agreement**

Our Company has not entered into any material agreements other than the agreements entered into by it in ordinary course of business.

**OTHER AGREEMENTS****Non-Compete Agreement**

Our Company has not entered into any Non-compete Agreement as on the date of filing of this Draft Prospectus.

**Joint Venture Agreement**

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

**Strategic Partners**

Except as mentioned in this Draft Prospectus, Our Company does not have any strategic partners as on the date of this Draft Prospectus.

**Financial Partners**

Our Company does not have any financial partners as on the date of this Draft Prospectus.

**Corporate Profile of our Company**

For details on the description of our Company’s activities, the growth of our Company, please see “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis of Issue Price” on pages 88, 180 and 72 of this Draft Prospectus.

## OUR MANAGEMENT

**Board of Directors:** As per the Articles of Association, our Company is required to have not less than Three (3) Directors and not more than Fifteen (15) Directors. Currently, our Company has Five (5) Directors and out of which Three (3) are Non-Executive Independent Directors.

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

S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
1.	<b>Mr. Ratan Kumar Srivastava</b> <b>Father Name:</b> Mr. Gauri Shankar Srivastava <b>Age:</b> 41 Years <b>Designation:</b> Chairman cum Managing Director <b>Address:</b> J-204, Prateek Laurel, Sector-120, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201301, India. <b>Experience:</b> 15 Years <b>Occupation:</b> Business <b>Qualifications:</b> Bachelor of Technology – Computer Science & Engineering <b>Nationality:</b> Indian <b>DIN:</b> 05329338	Originally appointed on the Board as Director w.e.f. July 17, 2014.  Further re- appointed as Chairman and Managing Director w.e.f. April 29, 2020 for a period of 5 years, not liable to retire by rotation.	5,03,800 Equity Shares; 46.65% of Pre- Issue Paid up capital	<ul style="list-style-type: none"> <li>➤ Kartik Solutions Private Limited</li> <li>➤ Ksolves Technologies Private Limited</li> </ul>
2.	<b>Mrs. Deepali Verma</b> <b>Father Name:</b> Mr. Ravinder Kumar Verma <b>Age:</b> 41 Years <b>Designation:</b> Whole Time Director and Chief Financial Officer <b>Address:</b> J-204, Prateek Laurel, Sector-120, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201301, India. <b>Experience:</b> 07 Years <b>Occupation:</b> Business <b>Qualifications:</b> Master of Commerce <b>Nationality:</b> Indian <b>DIN:</b> 05329336	Originally appointed on the Board as Director w.e.f. July 17, 2014.  Further re- appointed as Whole Time Director w.e.f. April 29, 2020 for a period of 5 years, liable to retire by rotation	5,04,000 Equity Shares; 46.66% of Pre- Issue Paid up capital	<ul style="list-style-type: none"> <li>➤ Kartik Solutions Private Limited.</li> <li>➤ Ksolves Technologies Private Limited.</li> </ul>
3.	<b>Mr. Hemant Kumar</b> <b>Father Name:</b> Mr. Preetam Singh <b>Age:</b> 35 Years <b>Designation:</b> Non-Executive Independent Director <b>Address:</b> WZ 300, Naraina village, Near Post Office, Khaira, South West Delhi – 110028, India <b>Experience:</b> 15	Appointed on the Board as Non-Executive Independent Director w.e.f. April 29, 2020 for period of 5 years.	NIL	NIL

S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
	<b>Occupation:</b> Consultant <b>Qualifications:</b> Bachelor of Law <b>Nationality:</b> Indian <b>DIN:</b> 07536741			
4.	<b>Mr. Veer Pratap Singh</b> <b>Father Name:</b> Mr. Surendra Kumar Singh <b>Age:</b> 37 Years <b>Designation:</b> Non-Executive Independent Director <b>Address:</b> B-208, UG-1, Shalimar Garden, Main Sahibabad, Shiv Mandir, Shalimar Garden, Ghaziabad, Uttar Pradesh – 201005, India. <b>Experience:</b> 12 <b>Occupation:</b> Service <b>Qualifications:</b> Master of Science <b>Nationality:</b> Indian <b>DIN:</b> 08736631	Appointed on the Board as Non-Executive Independent Director w.e.f. April 29, 2020 for period of 5 years.	NIL	NIL
5.	<b>Mr. Arpit Goyal</b> <b>Father Name:</b> Subhash Chand Goyal <b>Age:</b> 30 Years <b>Designation:</b> Non-Executive Independent Director <b>Address:</b> H.No 899, Moh Ram Nagar, Khushi Ram Wali Gali, Gulaothi Bulandshahr, Uttar Pradesh - 245408, India. <b>Experience:</b> 6 Years <b>Occupation:</b> Service <b>Qualifications:</b> Company Secretary <b>Nationality:</b> Indian <b>DIN:</b> 08273225	Appointed on the Board as Non-Executive Independent Director w.e.f. April 29, 2020 for period of 5 years.	NIL	➤ R S Corporate Consultants Private Limited

### **BRIEF PROFILE OF OUR DIRECTORS**

#### **1. Mr. Ratan Kumar Srivastava, Chairman cum Managing Director, Age: 41 Years**

Mr. Ratan Kumar Srivastava, 41 years is Chairman and Managing Director and also the Promoter of our Company. He holds degree if Bachelor of Technologies – Computer Science & Engineering. He was appointed on the Board on July 17, 2014 and further designated as the Chairman and Managing Director of the Company on April 29, 2020 for a period of 5 years not liable to retire by rotation. He looking after core management of the company and entrepreneur, active and enthusiastic in business activities. He has been instrumental in taking major policy decision of the Company. He has experience of 15 years in our industry and he has worked with Tech Mahindra, Birlasoft (India) Limited, HSBC and Persistent Systems. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

**2. Mrs. Deepali Verma, Whole-time Director cum Chief Financial Officer, Age: 41 Years**

Mrs. Deepali Verma, aged 41 years, is the Whole Time Director of our Company and also the Promoter of our Company. She holds degree in Master of Commerce. She was originally appointed on the Board on July 17, 2014 and further designated as the Whole Time Director of the Company on April 29, 2020 for a period of 5 years liable to retire by rotation. She is also Chief Financial Officer of our Company. She is having experience of 7 years in our industry. She is involved in the business right from conceptualization stage to execution stage like planning, monitoring the all activities. She looks after Finance & Accounts division.

**3. Mr. Hemant Kumar, Age: 35 Years**

Mr. Hemant Kumar, aged 35 years is Non-Executive Independent Director of our Company. He was originally appointed on the Board as Non-Executive Independent Director on the Board w.e.f. April 29, 2020. He holds Bachelor of Law degree. He is having 15 years experiences in the field of Legal, Finance and Accounts.

**4. Mr. Veer Pratap Singh, Age: 37 Years**

Mr. Veer Pratap Singh, aged 37 years is Non-Executive Independent Director of our Company. He was originally appointed on the Board as Non-Executive Independent Director on the Board w.e.f. April 29, 2020 He holds degree in Master of Science and has experience of 12 years in Banking Sector.

**5. Mr. Arpit Goyal, Non-Executive Independent Director, Age: 30 Years**

Mr. Arpit Goyal, aged 30 Years is Non-Executive Independent Director of our Company. He was originally appointed on the Board as Non-Executive Independent Director on the Board w.e.f. April 29, 2020 He holds a degree of Company Secretary. He has experience of 6 years in Secretarial work.

**Confirmations**

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- None of the above mentioned Directors are on the RBI list of willful defaulters as on the date of filling of this Draft Prospectus.
- Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.
- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Directors and promoters of our company.

Except as disclosed in chapter titled “Outstanding Litigation and Material Developments” beginning on Page 195 of this Draft Prospectus, there is no criminal cases filed or being undertaken with regard to alleged commission of any offence by any of our directors which also effected the business of our company and none of directors of our Company have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.

Further, our Company, our Promoter, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

**Nature of any family relationship between any of our Directors:**

Apart from Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma who are related to each other as Husband and Wife, none of the Directors of the Company are related to each other as per Sec 2 (77) of Companies Act, 2013.

**Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant

to which any of our Directors were selected as Directors or members of the senior management.

### **Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

### **Details of Borrowing Powers of Directors**

Our Company has passed a Special Resolution in the Annual General Meeting of the members held on April 29, 2020 authorizing the Board of Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs. 100 Crore (Rupees Forty Crore only).

### **Compensation of our Managing Director and Whole Time Directors**

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Whole Time Directors:

Particulars	Mr. Ratan Kumar Srivastava	Mrs. Deepali Verma
Re-Appointment / Change in Designation	Resolution dated April 29, 2020	Resolution dated April 29, 2020
Designation	Chairman cum Managing Director	Whole-time Director
Term of Appointment	5 years Not liable to Retire by Rotation	5 years Liable to Retire by Rotation
Remuneration Payable from FY 2020-21	Rs. 48.00 Lakhs per annum	Rs. 42.00 Lakhs per annum
Remuneration paid for Year 2019-20	Rs. 41.71 Lakhs per annum	Nil
Remuneration paid for Year 2019-20 by our Subsidiary Company	Nil	Rs. 42.00 Lakhs per annum

### **Bonus or Profit Sharing Plan for our Directors**

We have no bonus or profit sharing plan for our Directors.

### **Sitting Fee**

The Articles of Association of our Company provides that payment of sitting fees to Directors (other than Managing Director & Whole- Time Directors) for attending a meeting of the Board or a Committee thereof shall be decided by the Board of Directors from time to time within the applicable maximum limits. Our Board of Directors has resolved in their meeting dated April 30, 2020 for payment to all Non-Executive Independent Directors for attending each such meeting of the Board or Committee thereof.

### **SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY**

Sr. No.	Name of Director	No. of Shares held	Holding in %
1.	Mr. Ratan Kumar Srivastava	5,03,800	46.65
2.	Mrs. Deepali Verma	5,04,000	46.66

*None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Prospectus*



Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

### **INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer- “Compensation of our Managing Director a Whole Time Directors” above, under chapter titled “Our Management” beginning on page 111 of this Draft Prospectus

Our Directors may also be regarded as interested their shareholding and dividend payable thereon, if any, Our Directors are also interested to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are interested in the Company in following manner:-

Ratan Singh Srivastava	Granted interest free unsecured loan of Rs. 3.00 Lakhs to M/s Kartik Solutions Private Limited wholly owned subsidiary of our Company
Mrs. Deepali Verma	Father of Mrs. Deepali Verma (Mr. Ravindra Kumar Verma) is drawing professional fees from the Company as an advisor of the Company.  Mother of Mrs. Deepali Verma (Mrs. Shashi Verma) has drawn salary from M/s Kartik Solutions Private Limited wholly owned subsidiary of our company.

Further our Directors may also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/firms in which they are interested as Directors/Members/Partners.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of this Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section “Our Management” or the section titled Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 111 and 129 respectively of this Draft Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

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

Except as disclosed above and in the chapters titled “Our Business” and “Related Party Transactions under chapter titled “Financial Information of our Company” and “History and Corporate Structure” on page 88, 129 and 107 respectively of this Draft Prospectus, our Directors do not have any interest in any property acquired two years prior to the date of this Draft Prospectus.

### **CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS**

Sr. No.	Name	Date & Nature of Change	Reasons for Change
1.	Mr. Sachin Balkrishna Ramdasi	Resigned from Directorship w.e.f. March 16, 2020	Resigned due to pre occupancy.
2.	Mr. Suraj Mishra	Appointed on Board as Additional Non-Executive Independent Director w.e.f. April 24, 2020	To ensure better Corporate Governance
3.	Mr. Suraj Mishra	Appointed on Board as Non-Executive Independent Director w.e.f. April 29, 2020	To ensure better Corporate Governance
3.	Mr. Veer Pratap Singh	Appointed on Board as Non-Executive Independent Director w.e.f. April 29, 2020	To ensure better Corporate Governance

4.	Mr. Hemant Kumar	Appointed on Board as Non-Executive Independent Director w.e.f. April 29, 2020	To ensure better Corporate Governance
4.	Mr. Arpit Goyal	Appointed on Board as Non-Executive Independent Director w.e.f. April 29, 2020	To ensure better Corporate Governance
5.	Mr. Ratan Kumar Srivastava	Change in Designation as Chairman cum Managing Director vide Shareholders Meeting dated April 29, 2020	To ensure better Corporate Governance
6.	Mrs. Deepali Verma	Change in Designation as Whole-time Director vide Shareholders Meeting dated April 29, 2020	To ensure better Corporate Governance
7.	Mr. Suraj Mishra	Resigned from Directorship w.e.f. April 30, 2020	Resigned due to pre occupancy.

## **MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure: -



## **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and SEBI (ICDR) Regulations, 2018 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of NSE. The requirements pertaining to constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees have been complied with.

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

Our Board of Directors consist of Five (5) directors of which three (3) are Non-Executive Independent Directors (as defined under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Our Company has constituted the following committees:

### **1. Audit Committee**

Our Company has constituted an Audit Committee ("Audit Committee"), vide Board Resolution dated April 30, 2020, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing

Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of NSE, the constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Hemant Kumar	Chairman	Non-Executive Independent Director
Mr. Veer Pratap Singh	Member	Non-Executive Independent Director
Mrs. Deepali Verma	Member	Whole time Director cum Chief Financial officer

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

**C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulations, 2015 as amended vide Resolution dated April 30, 2020 The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Veer Pratap Singh	Chairman	Non-Executive Independent Director
Mr. Arpit Goyal	Member	Non-Executive Independent Director
Mr. Ratan Kumar Srivastava	Member	Chairman & Managing Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
- Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulations, 2015 as amended vide Resolution dated April 30, 2020. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Arpit Goyal	Chairman	Non-Executive Independent Director
Mr. Hemant Kumar	Member	Non-Executive Independent Director
Mr. Veer Pratap Singh	Member	Non-Executive Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

#### C. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.

- Decide the amount of Commission payable to the Whole Time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

### **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of NSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME platform of NSE. The Board of Directors at their meeting held on April 30, 2020 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

### **Our Key Managerial Personnel**

Our Company is supported by a well-laid team having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

<b>Name, Designation &amp; Educational Qualification</b>	<b>Age (Year)</b>	<b>Date of joining as KMP</b>	<b>Compensation paid for the F.Y ended 2020 (in Rs Lacs)</b>	<b>Over all experience (in years)</b>	<b>Previous employment</b>
<b>Name: Mr. Ratan Kumar Srivastava</b> <b>Designation:</b> Chairman and Managing Director <b>Qualification:</b> Bachelor of Technology – Computer Science & Engineering	41	Chairman and Managing Director and w.e.f April 29, 2020	41.71	15	--
<b>Name: Deepali Verma</b> <b>Designation:</b> Whole time Director & Chief Financial officer <b>Qualification:</b> Master of Commerce	41	Whole time Director w.e.f April 29, 2020 Chief Financial Officer w.e.f April 28, 2020	Nil	7	--
<b>Name: Mr. Dipanshu</b> <b>Designation:</b> Company Secretary & Compliance Officer <b>Qualification:</b> Company Secretary	27	Appointed on April 28, 2020	Nil	1	Startup Buddy Services Pvt. Ltd.

### **BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

#### **1. Mr. Ratan Kumar Srivastava, Chairman cum Managing Director, Age: 41 Years**

Mr. Ratan Kumar Srivastava, 41 years is Chairman and Managing Director and also the Promoter of our Company. He holds degree of Bachelor of Technology – Computer Science & Engineering. He was appointed on the Board on July 17, 2014 and further



designated as the Chairman and Managing Director of the Company on April 29, 2020 for a period of 5 years not liable to retire by rotation. He looking after core management of the company and entrepreneur, active and enthusiastic in business activities. He has been instrumental in taking major policy decision of the Company and he has worked with Tech Mahindra, Birlasoft (India) Limited, HSBC and Persistent Systems. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

## 2. Mrs. Deepali Verma, Whole-time Director and Chief Financial Officer, Age: 41 Years

Mrs. Deepali Verma, aged 41 years, is the Whole Time Director of our Company and also the Promoter of our Company. She holds degree in Master of Commerce. She was originally appointed on the Board on July 17, 2014 and further designated as the Whole Time Director of the Company on April 29, 2020 for a period of 5 years liable to retire by rotation and & Chief financial officer w.e.f April 28, 2020. She is having experience of 7 years in our industry. She is involved in the business right from conceptualization stage to execution stage like planning, monitoring the all activities. She looks after Finance & Accounts division.

## 3. Mr. Dipanshu, Company Secretary and Compliance Officer, Age: 27 Years

**Mr. Dipanshu** is Company Secretary and Compliance Officer of our Company. He is qualified Company Secretary from institute of Company Secretaries of India. In the past, he was in the employment with Startup Buddy Services Pvt. Ltd. He looks after the Secretarial matters of our Company and have experience of 1 years. He joined our Company on April 28, 2020.

### RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Apart from Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma who are related to each other as Husband and Wife, none of the KMP of the Company are related to each other.

#### We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma, are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 31, 2020.
- Except for the terms set forth in the appointment Letters the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Prospectus except as under:

Sr. No.	Name of Director/ KMP	No. of Shares held	Holding in %
1.	Mr. Ratan Kumar Srivastava	5,03,800	46.65
2.	Mrs. Deepali Verma	5,04,000	46.66

- Presently, we do not have ESOP/ESPS scheme for our employees.
- The turnover of KMPs is not high, compared to the Industry to which our Company belongs.

### Payment of Benefits to Officers of our Company (non-salary related)

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super annuities, ex-gratia/rewards.

### Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last three years except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion/ Transfer	Reasons
1.	Mr. Ratan Kumar Srivastava	Chairman & Managing Director	April 29, 2020	Change in Designation
2.	Mrs. Deepali Verma	Whole Time Director	April 29, 2020	Change in Designation
3.	Mr. Dipanshu	Company Secretary & Compliance Officer	April 28, 2020	Appointment
4.	Mrs. Deepali Verma	Chief Financial Officer	April 28, 2020	Appointment

### **INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY**

Apart from shares held in the Company, and to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our Key managerial personal are interested in our Company. Also our Key managerial personnel are interested in following manner:-

Ratan Singh Srivastava	Granted interest free unsecured loan of Rs. 3.00 Lakhs to M/s Kartik Solutions Private Limited wholly owned subsidiary of our company
Mrs. Deepali Verma	Father of Mrs. Deepali Verma (Mr. Ravindra Kumar Verma) is drawing professional fees from the Company as an advisor of the Company.  Mother of Mrs. Deepali Verma (Mrs. Shashi Verma) has drawn salary from M/s Kartik Solutions Private Limited wholly owned subsidiary of our company.

Except as provided in this Draft Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to Related Party Transaction under chapter titled under chapter titled “Financial Information of our Company” beginning on page 129 of this Draft Prospectus.

### **OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL**

Except as stated in this Draft Prospectus, there are no other benefits payable to our Key Managerial Personnel.

### **EMPLOYEES**

The details about our employees appear under the Paragraph titled —Human Resource in Chapter Titled —Our Business beginning on page 88 of this Draft Prospectus.

### OUR PROMOTERS & PROMOTER GROUP

Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma are the Promoters of our Company.

As on the date of this Draft Prospectus, Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma are holding 10,07,800 Equity Shares which in aggregate, constitutes 93.31% of the issued and paid-up Equity Share capital of our Company. Our Promoter and Promoter Group will continue to hold the majority of our post- Issue paid-up equity share capital of our Company.

#### Details of our Promoters: -

	<b>Mr. Ratan Kumar Srivastava, Chairman cum Managing Director</b>	
	<b>Qualification</b>	Bachelor of Technology – Computer Science & Engineering
	<b>Age</b>	41 Years
	<b>Address</b>	J-204, Prateek Laurel, Sector-120, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201301, India.
	<b>Experience</b>	15 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	BFRPS3193F
	<b>Passport Number</b>	Z3153585
	<b>Name of Bank &amp; Bank Account Details</b>	ICICI Bank Limited Account No. : 042401503241
	<b>Driving License Number</b>	UP70-20100005660
	<b>Aadhar Card Number</b>	6363 1284 6457
	<b>No. of Equity Shares held in LGHL [% of Shareholding (Pre Issue)]</b>	5,03,800 Equity Shares of ₹ 10 each; 46.65% of Pre- Issue Paid up capital
	<b>DIN</b>	05329338
	<b>Other Interests</b>	<b>Companies:</b> Kartik Solutions Private Limited Ksolves Technologies Private Limited Ksolves LLC
	<b>Mrs. Deepali Verma, Whole Time Director cum Chief Financial Officer</b>	
	<b>Qualification</b>	Master of Commerce
	<b>Age</b>	41 Years
	<b>Address</b>	J-204, Prateek Laurel, Sector-120, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201301, India.
	<b>Experience</b>	07 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AEHPV4088C
	<b>Passport Number</b>	K9421789
	<b>Name of Bank &amp; Bank Account Details</b>	Axis Bank Limited Account No. : 912010048544741
	<b>Driving License Number</b>	Not Available
	<b>Aadhar Card Number</b>	4809 9299 3034
	<b>No. of Equity Shares held in LGHL [% of Shareholding (Pre Issue)]</b>	5,04,000 Equity Shares of ₹ 10 each; 46.67% of Pre- Issue Paid up capital
	<b>DIN</b>	05329336
	<b>Other Interests</b>	<b>Companies:</b> Kartik Solutions Private Limited Ksolves Technologies Private Limited

## **Declaration**

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of the Promoter which are available have been submitted to NSE at the time of filing of Draft Prospectus with them.

*Present Promoters of Our Company are Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma which were original subscribers to the MoA of Our Company. For details of the shareholding acquired by the current promoters of our Company refer the capital buildup of our Promoter under chapter “Capital Structure” beginning on page 56 of this Draft Prospectus.*

## **Undertaking/ Confirmations**

None of our Promoter or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoter, Group Company and Company promoted by the promoter of our company.

There is no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoter, Group Company and Company promoted by the promoter during the past three years.

The litigation record, the nature of litigation, and status of litigation of our Company, Promoter, Group company and Company promoted by the Promoter are disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on page 195 of this Draft Prospectus.

None of our Promoter, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoter, the promoter group members nor our Group Company have been declared as a willful defaulter by the RBI or any other government authority nor there are any violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

## **Common Pursuits/ Conflict of Interest**

Except our Subsidiary Company i.e. Kartik Solutions Private Limited and Promoter Group Company Ksolves Technologies Private Limited & Ksolves LLC is engaged in similar line of business as our Company as on date of this Draft Prospectus. For further details of our Group Companies refer to Section titled “Our Group Companies” on page 127 of this Draft Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

## **Interest in promotion of Our Company**

The Promoters is interested to the extent of their shareholding in the Company, and any dividend and distributions which may be made by the Company in future. The related party transactions are disclosed in “Financial information of our Company” and “Our Management – Interest of Directors” and “Our Management – Interest of Key Managerial Personnel” on pages 129 & 111 of this Draft Prospectus, respectively.

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

Except as mentioned in this Draft Prospectus, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us till date of filing the Prospectus with RoC.

### **Other Interest of Promoter**

Our Promoters Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma are interested to the extent of their shareholding and shareholding of their relatives in our Company. Our Promoters Ratan Kumar Srivastava who is also the Chairman cum Managing Director and Mrs. Deepali Verma who is Whole Time Director & Chief Financial officer, of our Company may be deemed to be interested to the extent of his remuneration, as per the terms of his appointment and reimbursement of expenses payable to him. Our Promoters may also be deemed interested to the extent of any unsecured loan given/taken by them to/from our Company. Also our Promoters are interested in following manner:-

Ratan Singh Srivastava	Granted interest free unsecured loan of Rs. 3.00 Lakhs to M/s Kartik Solutions Private Limited wholly owned subsidiary of our company.
Mrs. Deepali Verma	Father of Mrs. Deepali Verma (Mr. Ravindra Kumar Verma) is drawing professional fees from the Company as an advisor of the Company.  Mother of Mrs. Deepali Verma (Mrs. Shashi Verma) has drawn salary from M/s Kartik Solutions Private Limited wholly owned subsidiary of our company.

*For transaction in respect of loans and other monetary transaction entered in past please refer Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 129 of this Draft Prospectus.*

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus or proposes to enter into any such contract in which our Promoter are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

### **Experience of Promoters in the line of business**

Our Promoters Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma having experience of 15 years and 07 years approx. respectively The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

### **Related Party Transactions**

For the transactions with our Promoter Group entities please refer to section titled Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 129 of this Draft Prospectus.

Except as stated in “Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 129 of this Draft Prospectus and as stated therein, our Promoter or any of the Promoter Group do not have any other interest in our business.

### **Payment or Benefit to Promoter of Our Company**

For details of payments or benefits paid to our Promoter, please refer to the chapter titled “Our Management” beginning on page 111 of this Draft Prospectus. Also refer Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 129 of this Draft Prospectus.

### **Companies / Firms from which the Promoter have disassociated themselves in the last (3) three years**

Our Promoters have not disassociated themselves from any of the Companies, Firms or other entities during the last three years except for transfer of their entire shareholding in Kartik Solutions Pvt. Ltd. to our Company on October 01, 2019 thereby making Kartik Solutions Pvt. Ltd. as our wholly owned subsidiary of our Company preceding the date of this Draft Prospectus.

### Other ventures of our Promoter

Save and except as disclosed in this section titled “Our Promoter and Promoter Group” and “Our Group Companies” beginning on page 123 & 127 respectively of this Draft Prospectus, there are no ventures promoted by our Promoter in which they have any business interests/ other interests as on date of this Draft Prospectus.

### Litigation details pertaining to our Promoter

For details on litigations and disputes pending against the Promoter and defaults made by the Promoter please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 195 of this Draft Prospectus.

## **OUR PROMOTER GROUP**

In addition to the Promoter named above, the following natural persons are part of our Promoter Group:

### **1. Natural Persons who are part of the Promoter Group**

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoter), other than the Promoters, are as follows:

Relationship	Mr. Ratan Kumar Srivastava	Mrs. Deepali Verma
Father	Late Sh. Gauri Shankar Prasad	Sh. Ravinder Kumar Verma
Mother	Late Smt Vijay Laxmi	Smt. Shashi Verma
Spouse	Mrs. Deepali Verma	Mr. Ratan Kumar Srivastava
Brother	--	--
Sister	Seema Srivastava*	--
Son	Elder : Kartik Srivastava	Elder : Kartik Srivastava
	Younger - Sarthak Srivastava	Younger - Sarthak Srivastava
Daughter	--	--
Spouse's Father	Sh. Ravinder Kumar Verma	Late Sh. Gauri Shankar Prasad
Spouse's Mother	Smt. Shashi Verma	Late Smt Vijay Laxmi
Spouse's Brother	--	--
Spouse's Sister	--	Seema Srivastava*

\* Our Promoters has disassociated with immediate relative i.e. Seema Srivastava. Presently our Company and our Promoters does not have any financial relationship, arrangements, and dealings with their immediate relative. Also there is no interest of Seema Srivastava in Shareholding of Ksolves India Limited. Hence the information in relation to the business and financial interest or litigation held by the aforesaid immediate relative is not accessible.

### **2. Corporate Entities or Firms forming part of the Promoter Group**

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

Nature of Relationship	Entity
Any body corporate in which twenty per cent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member	<b>Companies: -</b> 1. Ksolves Technologies Private Limited 2. Ksolves LLC (a Domestic Limited Liability Company formed under Office of the Secretary of State of Texas, USA)
Any Body corporate in which a body corporate as provided above holds twenty percent or more of the equity share capital	Nil
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than twenty percent of the total Capital.	Nil



### **OUR GROUP COMPANIES**

As per the SEBI ICDR Regulations, 2018 for the purpose of identification of Group Companies, our Company has considered companies covered under the Accounting Standard 18 as per Restated Financial Statements. Further, pursuant to a resolution of our Board dated April 30, 2020 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if Such company forms part of the Promoter Group of our Company in terms of Regulation of the SEBI ICDR Regulations and Companies who entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10% of total revenue of the company as per Restated Financial Statements.

Based on the above, our Company does not have "Group Companies" in terms of the definition provided for above, as on date of this Draft Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, the Company can pay dividends upon recommendation by the Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company has declared dividend at the following rates during the five years immediately preceding the date of this Draft Prospectus:

<b>Dividend Paid in Fiscal</b>	<b>Dividend declared for Fiscal</b>	<b>Dividend per Equity Share (in ₹)</b>	<b>Total Number of Equity Shares</b>	<b>Aggregate Dividend Paid (in ₹ Lacs)</b>
2018-19	2018-19 (Interim Dividend)	77.89	20,000	15.58

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend is 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 results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

However, our dividend history is not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

## **SECTION IX – FINANCIAL INFORMATION OF OUR COMPANY**

### **INDEPENDENT AUDITORS' REPORT ON RESTATED STANDALONE FINANCIAL STATEMENT**

**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)**

To,

**The Board of Directors,  
Ksolves India Limited**

Dear Sirs,

We have examined the attached Restated Standalone Audited Financial Information of Ksolves India Limited (formerly known as Ksolves India Private Limited) ( hereunder referred to “the Company”, “Issuer”) comprising the Restated Standalone Audited Statement of Assets and Liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018, the Restated Standalone Audited Statement of Profit & Loss, the Restated Standalone Audited Cash Flow Statement year ended March 31, 2020, March 31, 2019 and March 31, 2018, the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Standalone Financial Information) as approved by the Board of Directors in their meeting held on April 30, 2020 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the “Act”);;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“ICDR Regulations”) as amended (ICDR Regulations”); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. (“The Guidance Note”).

The Company’s Board of Directors is responsible for the preparation of the Restated Standalone Financial Information for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Delhi in connection with the proposed IPO. The Restated Standalone Financial Information have been prepared by the management of the Company for the year ended on March 31, 2020, 2019 and 2018 on the basis of preparation stated in ANNEXURE – D to the Restated Standalone Financial Information. The Board of Directors of the company’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information.

We have examined such Restated Standalone Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated April 25, 2020 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Information; and ,
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

These Restated Standalone Financial Information have been compiled by the management from:

- a) Audited financial statements of company as at and for the year ended March 31, 2020, 2019 and 2018 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.

We have audited the Standalone Financial Statements of the Company year ended March 31, 2020 prepared by the Company in accordance with the Generally Accepted Accounting Standards for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report on these special purpose financial information to the Board of Directors.

For the purpose of our examination, we have relied on:

- a) Auditors’ Report issued by the Previous Auditor M/s RSAV & Company (the “Previous Auditors”) dated July 20, 2018 & September 02, 2019 for the financial year ended 31st March 2018 and 31st March 2019.
- b) The audit were conducted by the Company’s previous auditor, and accordingly reliance has been placed on the statement of assets and liabilities and statements of profit and loss, the Significant Accounting Policies, and other explanatory information and (collectively, the Audited Financial Statement”) examined by them for the said years.

The modification in restated standalone financials were carried out based on the modified reports, if any, issued by Previous Auditor which is giving rise to modifications on the financial statements as at and for the years ended March 31, 2019 and March 31, 2018. There is no qualification of previous auditor for the Financial Statement of 31st March 2018 and 31st March 2019.

The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the years ended March 31, 2020, 2019 & 2018 :-

- a) The Restated Standalone Financial Information or Restated Standalone Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- b) The Restated Standalone Financial Information or Restated Standalone Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) There were no qualifications in the Audit Reports issued by us and the Previous Auditors for the Financial Year Ended March 31, 2020, 2019 and 2018 which would require adjustments in this Restated Standalone Financial Statements of the Company;
- e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE – D to this report;
- f) Adjustments in Restated Standalone Financial Information or Restated Standalone Summary Financial Statement have been made in accordance with the correct accounting policies,
- g) There was no change in accounting policies, which needs to be adjusted in the Restated Standalone Financial Information or Restated Standalone Summary Financial Statement;
- h) There are no revaluation reserves, which need to be disclosed separately in the Restated Standalone Financial Information or Restated Standalone Summary Financial Statement
- i) The Company has paid dividend in the financial year ended March 31, 2019.

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a) The “Restated Standalone Statement of Assets and Liabilities” as set out in ANNEXURE – A to this report, of the Company March 31, 2020, 2019 and 2018 is prepared by the Company and approved by the Board of Directors. These Restated

Standalone Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.

- b) The “Restated Standalone Statement of Profit and Loss” as set out in ANNEXURE – B to this report, of the Company for the Financial Years Ended March 31, 2020, 2019 and 2018 is prepared by the Company and approved by the Board of Directors. These Restated Standalone Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- c) The “Restated Standalone Statement of Cash Flow” as set out in ANNEXURE – C to this report, of the Company for the Financial Years Ended March 31, 2020, 2019 and 2018 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.

Audit for the financial year ended on March 31, 2019 and March 31, 2018 was conducted by M/s RSAV & Company. Accordingly reliance has been placed on the financial statement examined by M/s RSAV & Company for the said years. Financial Reports included for said years are solely based on report submitted by them.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the Financial Year Ended March 31, 2020, 2019 and 2018 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

Restated Standalone Statement of Share Capital, Reserves And Surplus	Annexure – A.1 & Annexure – A.2
Restated Standalone Statement of Deferred Tax (Assets) / Liabilities	Annexure – A.3
Restated Standalone Statement of Trade Payables	Annexure – A.4
Restated Standalone Statement of Other Current Liabilities And Short Term Provisions	Annexure – A.5 & Annexure – A.6
Restated Standalone Statement of Property, Plant & Equipments	Annexure – A.7
Restated Standalone Non-Current Investments	Annexure – A.8
Restated Standalone Statement of Long Term loans & Advances	Annexure – A.9
Restated Standalone Statement of Cash & Cash Equivalents	Annexure – A.10
Restated Standalone Statement of Short-Term Loans And Advances	Annexure – A.11
Restated Standalone Statement of Other Current Assets	Annexure – A.12
Restated Standalone Statement of Revenue from Operations	Annexure – B.1
Restated Standalone Statement of Other Income	Annexure – B.2
Restated Standalone Statement of Employee Benefit Expenses	Annexure – B.3
Restated Standalone Statement of Depreciation & Amortisation	Annexure – B.4
Restated Standalone Statement of Other Expenses	Annexure – B.5
Restated Standalone Statement of Deferred Tax Asset / Liabilities	Annexure – B.6
Material Adjustment to the Restated Standalone Financial	Annexure – E
Restated Standalone Statement of Tax shelter	Annexure – F
Restated Standalone Statement of Capitalization	Annexure – G
Restated Standalone Statement of Contingent Liabilities	Annexure – H
Restated Standalone Statement of Accounting Ratios	Annexure – I
Restated Standalone statement of related party transaction	Annexure – J

In our opinion and to the best of information and explanation provided to us, the Restated Standalone Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – D are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. A Y & Company, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – A to J of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

**For, M/s A Y & CO.**  
**Chartered Accountants**  
**Firm Registration Number: - 020829C**  
**Peer Review No. – 011177**

**CA Arpit Gupta**  
**(Partner)**  
**Membership No.421544**  
**UDIN - 20421544AAAAAU7049**

**Date: April 30, 2020**  
**Place: New Delhi**



**Annexure – A: Restated Standalone Statement of Assets and Liabilities**

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March		
			2020	2019	2018
<b>A.</b>	<b>Equity and Liabilities</b>				
<b>1</b>	<b>Shareholders' Funds</b>				
	Share Capital	<b>A.1</b>	2.00	2.00	1.00
	Reserves & Surplus	<b>A.2</b>	84.79	17.60	20.51
	<b>Share application money pending allotment</b>		-	-	-
<b>2</b>	<b>Non-Current Liabilities</b>				
	Long-Term Borrowings		-	-	-
	Other Non-Current Liabilities		-	-	-
	Long-Term Provisions		-	-	-
	Deferred Tax Liabilities (Net)	<b>A.3</b>	0.85	0.50	0.40
<b>3</b>	<b>Current Liabilities</b>				
	Short Term Borrowings		-	-	-
	Trade Payables :	<b>A.4</b>			
	(A) total outstanding dues of micro enterprises and small enterprises; and		5.40	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]		14.73	-	-
	Other Current Liabilities	<b>A.5</b>	36.16	43.30	26.84
	Short Term Provisions	<b>A.6</b>	22.25	5.68	4.33
	<b>Total</b>		<b>166.19</b>	<b>69.08</b>	<b>53.09</b>
<b>B.</b>	<b>Assets</b>				
<b>1</b>	<b>Non-Current Assets</b>				
	Property, Plant and Equipment				
	Tangible Assets	<b>A.7</b>	51.12	30.73	22.73
	Intangible Assets		-	-	-
	Non-Current Investments	<b>A.8</b>	53.50	1.00	0.00
	Long Term Loans & Advances	<b>A.9</b>	18.05	5.37	2.28
	Other Non Current Assets		-	-	-
<b>2</b>	<b>Current Assets</b>				
	Current Investments		-	-	-
	Inventories		-	-	-
	Trade Receivables		-	-	-
	Cash and Cash Equivalents	<b>A.10</b>	5.15	4.15	9.42
	Short-Term Loans and Advances	<b>A.11</b>	-	0.19	-
	Other Current Assets	<b>A.12</b>	38.37	27.63	18.66
	<b>Total</b>		<b>166.19</b>	<b>69.08</b>	<b>53.09</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,B & C

**Annexure – B: Restated Standalone Statement of Profit And Loss**

(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For The Year Ended 31st March		
			2020	2019	2018
<b>A.</b>	<b>Revenue:</b>				
	Revenue from Operations	<b>B.1</b>	814.10	541.79	340.43
	Other income	<b>B.2</b>	0.41	0.83	0.41
	<b>Total revenue</b>		<b>814.51</b>	<b>542.62</b>	<b>340.85</b>
<b>B.</b>	<b>Expenses:</b>				
	Employees Benefit Expenses	<b>B.3</b>	481.74	313.09	205.68
	Finance costs		-	-	-
	Depreciation and Amortization	<b>B.4</b>	16.94	8.04	3.81
	Other expenses	<b>B.5</b>	226.05	200.01	121.65
	<b>Total Expenses</b>		<b>724.73</b>	<b>521.14</b>	<b>331.14</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>89.78</b>	<b>21.48</b>	<b>9.70</b>
	Exceptional Items		-	-	-
	<b>Profit before extraordinary items and tax</b>		<b>89.78</b>	<b>21.48</b>	<b>9.70</b>
	Extraordinary items		-	-	-
	<b>Profit before tax</b>		<b>89.78</b>	<b>21.48</b>	<b>9.70</b>
	<b>Tax expense :</b>				
	Current tax		22.23	5.55	4.33
	Deferred Tax	<b>B.6</b>	0.35	0.10	(0.13)
	<b>Profit (Loss) for the period from continuing operations</b>		<b>67.19</b>	<b>15.83</b>	<b>5.50</b>
	<b>Earning per equity share in Rs.:</b>				
	(1) Basic		13.48	3.18	2.20
	(2) Diluted		13.48	3.18	2.20

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities and cash flows appearing in Annexure D,A&C.

### Annexure – C: Restated Standalone Statement of Cash Flows

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March		
	2020	2019	2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/ (Loss) before tax	<b>89.78</b>	<b>21.48</b>	<b>9.70</b>
Adjustments for:			
Depreciation	16.94	8.04	3.81
Prior Period Items	-	-	(0.04)
Interest Income	(0.41)	(0.83)	(0.41)
<b>Operating profit before working capital changes</b>	<b>106.31</b>	<b>28.69</b>	<b>13.05</b>
Movements in working capital :			
(Increase)/Decrease in Loans & Advances	0.19	(0.19)	-
(Increase)/Decrease in Other Current Assets	(10.74)	(8.98)	(12.48)
Increase/(Decrease) in Trade Payables	20.13		
Increase/(Decrease) in Other Current Liabilities	(7.15)	16.46	23.83
<b>Cash generated from operations</b>	<b>108.75</b>	<b>35.99</b>	<b>24.41</b>
Income tax paid during the year	5.65	4.21	2.11
Dividend Distribution Taxes Paid during the year	-	3.17	-
<b>Net cash from operating activities (A)</b>	<b>103.10</b>	<b>28.61</b>	<b>22.30</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale/(Purchase) of Investments	(52.50)	(1.00)	-
Interest Income	0.41	0.83	0.41
Purchase of Fixed Assets	(37.33)	(16.04)	(17.85)
Increase in Other Non-Current Assets/Loans & Advances	(12.68)	(3.09)	(2.28)
<b>Net cash from investing activities (B)</b>	<b>(102.10)</b>	<b>(19.30)</b>	<b>(19.73)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payment of Dividend	-	(15.58)	-
Proceeds from Issue of Capital	-	1.00	-
<b>Net cash from financing activities (C)</b>	<b>-</b>	<b>(14.58)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1.00</b>	<b>(5.27)</b>	<b>2.57</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4.15</b>	<b>9.42</b>	<b>6.85</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5.15</b>	<b>4.15</b>	<b>9.42</b>
<b>Notes:</b>			
<b>1. Component of Cash Flows:</b>			
Cash on hand	<b>0.10</b>	<b>0.01</b>	<b>0.10</b>
Balance with Banks	<b>5.05</b>	<b>4.14</b>	<b>9.32</b>
2. Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.			
3. The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses appearing in Annexure D,A,B			

**ANNEXURE – D: SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS  
RESTATED**

**A) COMPANY INFORMATION**

Company was originally incorporated on July 17, 2014 as “Keyon Softwares Private Limited” vide Registration No. 269020/ 2014-2015 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Delhi. Further, our Company has changed its name from “Keyon Softwares Private Limited” to Ksolves India Private Limited” vide Special Resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on September 27, 2014 and a fresh certificate of incorporation dated October 14, 2014 issued by the Registrar of Companies, Delhi. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Ksolves India Private Limited” to “Ksolves India Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on April 25, 2020 and a fresh certificate of incorporation dated April 28, 2020 issued by the Registrar of Companies, Delhi. The Corporate Identification Number of our Company is U72900DL2014PLC269020.

**B) SIGNIFICANT ACCOUNTING POLICIES**

**1. Accounting Convention**

The financial statement are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

**2. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

**3. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

**4. Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

## **5. Depreciation**

All fixed assets, except capital work in progress, are depreciated on Straight Line Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be.

## **6. Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

## **7. Inventories**

Since the company is in the business of providing services, so that there are no inventories.

## **8. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Interest income is recognized on time proportion basis, when it is accrued and due for payment.

Dividend income is recognized in profit and loss account when right to receive dividend is established.

## **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **10. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

## **11. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## 12. Foreign Currency Translation

- Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the yearend are restated at closing rate..
- Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

## 13. Provision, 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.

### C) NOTES ON ACCOUNTS

- The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

#### 2. Segment Reporting

The Company at present is engaged in the business of software development services, which constitutes a single business segment. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

#### 3. Post-Employment Benefits:

Management has not valued its obligation related to gratuity at the end of any of the reporting periods in compliance with Accounting Standard – 15.

#### 4. Change in Accounting Estimate

In Restated Financial Information, the Company has calculated the depreciation based on the rates given in Schedule II of the Companies Act, 2013. In respect of assets whose useful life had already exhausted as on 1 April 2014, has been adjusted in Reserves and Surplus in accordance with requirements of Para 7 of Part C of Schedule II of the Act.

#### 5. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on March 31, 2020 except as mentioned in Annexure-H, for any of the years covered by the statements.

#### 6. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – J of the enclosed financial statements.

#### 7. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under.

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,		
	2020	2019	2018
WDV as per Companies Act, 2013 (A)	51.12	30.73	22.73



WDV as per Income tax Act, 1961 (B)	47.73	28.79	21.17
Difference in WDV (A-B)	-3.39	-1.94	-1.56
Restated Closing Balance of Deferred Tax Asset / (Liability)	-0.85	-0.50	-0.40
DTA/(DTL) Balance as per Previous Year	-0.50	-0.40	-0.53
<b>Additional Provision to be made/Reversal of Provision/ Creation of Deferred Tax Asset</b>	<b>0.35</b>	<b>0.10</b>	<b>0.13</b>

## 8. Material Adjustments

Reconciliation Statement between Restated Profit & Loss & Audit Profit & Loss due to Adjustment made in Restated Financial Statements:

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,		
	2020	2019	2018
<b>(A) Net Profits as per audited financial statements (A)</b>	<b>67.03</b>	<b>16.12</b>	<b>12.68</b>
Add/(Less) : Adjustments on account of -			
1)Prepaid Expenses of current Year		0.13	0.60
2)Prepaid Expenses from previous year account for	(0.13)	(0.60)	
3)Provision for Expenses account for in Current Year	-	(0.35)	(7.81)
4)Reversal of Prior Period Expenses	0.35	0.44	0.23
5) Change in Provision for Current Tax	(0.06)	0.10	(0.21)
<b>Total Adjustments (B)</b>	<b>0.16</b>	<b>(0.29)</b>	<b>(7.19)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>67.19</b>	<b>15.83</b>	<b>5.50</b>

Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,		
	2020	2019	2018
(A) Equity Share Capital as per Audited Financials	2.00	2.00	1.00
(B) Reserves & Surplus as per Audited Financials	84.87	17.85	27.92
Total Equity as per Audited Financials	86.87	19.85	28.92
Add/(Less) : Adjustments on account of -			
1) Adjustment in Profit & Loss Account	(0.09)	(0.25)	(7.41)
Total Adjustments in Reserves & Surplus (C)	(0.09)	(0.25)	(7.41)
Restated Reserves & Surplus (B+C) (D)	84.79	17.60	20.51
Restated Equity (A+D)	86.79	19.60	21.51

### Notes on Material Adjustments pertaining to prior years

#### (a) Prepaid Expenses charged to Profit & Loss Account

Expenses related to Next year were transferred in Prepaid of Current Year & Prepaid Expenses carried forward from Previous Year is transferred to Expenses head in current year Adjustments not having impact on profit.

#### (b) Provision for Expenses

Expenses which are not accounted for in Audited Financials are accounted for in Restated Financials.

#### (c) Change in Provision for Current Tax

Since the Restated profit has been changed due to adjustment made as disclosed above, the impact of the same provided on the Provision for current accordingly as per Annexure – F “Restated Standalone Statement of Tax Shelter”

**(d) Reversal of Prior Period Expenses**

Prior Period Expenses has been transferred to related accounting period & the same has been reversed.

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

**For M/s A Y & Company**  
**Chartered Accountants**  
**Firm Registration No : 020829C**  
**Peer Review No. : 011177**

**On behalf of Board of Directors**  
**Ksolves India Limited**

**Ratan Kumar Srivastava**  
**Chairman Cum Managing Director**

**DIN : 05329338**

**Deepali Verma**  
**Whole Time Director cum**  
**Chief Financial Officer**  
**DIN : 05329336**

**CA Arpit Gupta**  
**Partner**  
**M. No. 421544**  
**UDIN - 20421544AAAAAU7049**

**Company Secretary**

**Date : April 30, 2020**  
**Place : New Delhi**

### Annexure - A.1: Restated Standalone Statement of Share Capital

Particulars	As at 31st March		
	2020	2019	2018
<b>Equity Share Capital</b>			
<b>Authorised Share Capital</b>			
16,00,000 (Previous Year: 20,000) Equity Shares of Rs 10 each	160.00	2.00	1.00
<b>Total</b>	<b>160.00</b>	<b>2.00</b>	<b>1.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b>			
20,000 (Previous Year: 20,000) Equity Shares of Rs 10 each	2.00	2.00	1.00
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>1.00</b>
<b>Notes:</b>			
<b>A.1.1 Right, Preferences and Restrictions attached to Shares :</b>			
Till the financial year ended March 31, 2019, the Company has two class of equity shares having a par value of Rs. 10/- per share. Each Shareholder of Series A is eligible for one vote per share held. During the year ended March 31, 2020 company has converted shares of Series B to make them pari passu to Series A. After Variation in Class, The company have only one class of equity shares & each Shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.			
<b>A.1.2 :</b> The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.			

#### **A.1.3 Reconciliation of No. of Shares Outstanding at the end of the year**

Particulars	As at 31st March		
	2020	2019	2018
<b>Equity Shares</b>			
Shares outstanding at the beginning of the year	20,000	10,000	10,000
Shares issued during the year (Series A)	-	6,000	-
Shares issued during the year (Series B)		4,000	
Bonus Shares issued during the year	-	-	-
Share outstanding at the end of the year	<b>20,000</b>	<b>20,000</b>	<b>10,000</b>
Note : Shares of Series B is converted into Series A to make them pari passu during the year ended March 31, 2020.			

#### **A.1.4 Details of Shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	31-Mar-20		31-Mar-19		31-Mar-18	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Deepali Verma	8,000	40.00%	8,000	40.00%	5,000	50.00%
Ratan Kumar Srivastava	8,000	40.00%	8,000	40.00%	5,000	50.00%
Sachin Kumar Ramdasi	4,000	20.00%	4,000	20.00%	-	-
<b>Total</b>	<b>20,000</b>	<b>100.00%</b>	<b>20,000</b>	<b>100.00%</b>	<b>10,000</b>	<b>100.00%</b>
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.						

### ANNEXURE – A.2: Restated Standalone Statement of Reserves and Surplus

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
<b>Reserves &amp; Surplus</b>			
<b>Balance in Statement of Profit &amp; Loss</b>			

Balance as at the beginning of the year	17.60	20.51	15.06
Prior Period Items	-	-	(0.05)
Add: Profit for the year	67.19	15.83	5.50
Less : Dividend & Divident Distribution Taxes Paid	-	18.75	-
Less : Bonus Shares Issued during the year	-	-	-
Balance as at the end of the year	<b>84.79</b>	<b>17.60</b>	<b>20.51</b>
<b>Total</b>	<b>84.79</b>	<b>17.60</b>	<b>20.51</b>

Note A.2.1: The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.

#### **ANNEXURE – A.3: Restated Standalone Statement of Deferred Tax Liabilities/(Assets) (Net)**

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
<b>Deferred Tax Liability</b>			
Timing Difference due to Depreciation	(0.85)	(0.50)	(0.40)
<b>Total (a)</b>	<b>(0.85)</b>	<b>(0.50)</b>	<b>(0.40)</b>
<b>Deferred Tax Assets</b>			
Timing Difference due to Depreciation	0.00	0.00	0.00
<b>Total (b)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net deferred tax liability/(assets){(a)-(b)}</b>	<b>0.85</b>	<b>0.50</b>	<b>0.40</b>

Note A.3.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.

#### **ANNEXURE – A.4: Restated Standalone Statement of Trade Payables**

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
Trade Payables due to			
- Micro and Small Enterprises	5.40	-	-
<b>- Others</b>			
- Promotor/Promotor Group	-	-	-
- Others	14.73		
<b>Total</b>	<b>20.13</b>	<b>-</b>	<b>-</b>

Note A.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.

#### **ANNEXURE – A.5: Restated Standalone Statement of Other Current Liabilities**

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
Audit Fees Payable	1.00	7.00	5.00
Statutory Dues Payable	10.23	8.03	1.70
Expenses Payable	3.71	28.28	20.14
Advance Received from Customers	21.22	-	-
<b>Grand Total</b>	<b>36.16</b>	<b>43.30</b>	<b>26.84</b>

Note A.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.

### ANNEXURE – A.6: Restated Standalone Statement of Short Term Provisions

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
Provision for Income Tax	22.25	5.68	4.33
<b>Total</b>	<b>22.25</b>	<b>5.68</b>	<b>4.33</b>
Note A.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.			

### ANNEXURE – A.7: Restated Standalone Statement of Property, Plant and Equipment

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
<b>Tangible Assets</b>			
<b>Furniture &amp; Fixtures</b>			
Gross Block at the begening of the year	13.35	13.23	7.33
Additions	-	0.12	5.90
Deletion	-	-	-
Total Gross Block at the end of the year	13.35	13.35	13.23
Less: Accumulated Depreciation	4.69	3.36	2.03
Net Block	<b>8.65</b>	<b>9.99</b>	<b>11.20</b>
<b>Computer &amp; Laptop</b>			
Gross Block at the begening of the year	29.21	14.57	4.47
Additions	35.16	14.63	10.11
Deletion	-	-	-
Total Gross Block at the end of the year	64.36	29.21	14.57
Less: Accumulated Depreciation	25.69	11.20	5.05
Net Block	<b>38.67</b>	<b>18.01</b>	<b>9.53</b>
<b>CCTV Camera</b>			
Gross Block at the begening of the year	0.52	0.38	0.38
Additions	0.78	0.14	-
Deletion	-	-	-
Total Gross Block at the end of the year	1.30	0.52	0.38
Less: Accumulated Depreciation	0.28	0.14	0.07
Net Block	<b>1.02</b>	<b>0.38</b>	<b>0.31</b>
<b>Mobile</b>			
Gross Block at the beginning of the year	1.96	1.12	-
Additions	1.08	0.85	1.12
Deletion	-	-	-
Total Gross Block at the end of the year	3.04	1.96	1.12
Less: Accumulated Depreciation	1.30	0.49	0.09
Net Block	<b>1.75</b>	<b>1.48</b>	<b>1.03</b>
<b>Office Equipments</b>			
Gross Block at the beginning of the year	1.03	0.73	0.73
Additions	0.32	0.30	-
Deletion	-	-	-
Total Gross Block at the end of the year	1.34	1.03	0.73
Less: Accumulated Depreciation	0.32	0.15	0.06
Net Block	<b>1.02</b>	<b>0.88</b>	<b>0.67</b>
<b>Furniture &amp; Fixtures</b>			

<b>Total Tangible Assets</b>	<b>51.12</b>	<b>30.73</b>	<b>22.73</b>
Note A.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.			

#### **ANNEXURE – A.8: Restated Standalone Statement of Non-Current Investments**

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
<b>Other non-current investments (Non-trade)</b>			
Fixed Deposits (Unquoted) (At cost)	1.00	1.00	-
<b>Trade Investments</b>			
Investment in Wholly owned Subsidiary Company (Kartik Solutions Private Limited)	52.50	-	-
<b>Total</b>	<b>53.50</b>	<b>1.00</b>	<b>-</b>
Note A.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.			

#### **ANNEXURE – A.9: Restated Standalone Statement of Long Term Loans & Advances**

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
Security Deposits for Rent	18.05	5.37	2.28
<b>Total</b>	<b>18.05</b>	<b>5.37</b>	<b>2.28</b>
Note A.9.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.			

#### **ANNEXURE – A.10: Restated Standalone Statement of Cash and Bank Balances**

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
<u>Cash &amp; Cash Equivalents</u>	-	-	
Cash in hand	0.10	0.00	0.10
<u>Balances with Banks:</u>			
Current Accounts	3.55	2.64	9.32
In Deposits Account	1.50	1.50	-
<b>Total</b>	<b>5.15</b>	<b>4.15</b>	<b>9.42</b>
Note A.10.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C..			



### ANNEXURE – A.11: Restated Standalone Statement of Short Term Loans and Advances

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
<b>Advances recoverable in cash or kind for the value to be considered good</b>			
Advances to Employee	-	0.19	-
<b>Total</b>	<b>-</b>	<b>0.19</b>	<b>-</b>
Note A.11.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.			

### ANNEXURE – A.12: Restated Standalone Statement of other Current Assets

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
Balances with Revenue Authorities	32.38	20.69	11.46
Prepaid Expenses	2.33	0.13	7.20
Accrued Interest on FD	0.14	0.06	-
Employees Imprest	-	6.66	-
Other Current assets	3.52	0.10	-
<b>Total</b>	<b>38.37</b>	<b>27.63</b>	<b>18.66</b>
Note A.12.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.			

### ANNEXURE – B.1: Restated Standalone Statement of Revenue from Operations

(Rs in Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
Turnover from Sale of Services	814.10	541.79	340.43
<b>Revenue from operations</b>	<b>814.10</b>	<b>541.79</b>	<b>340.43</b>
Note B.1.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.			

### ANNEXURE – B.2: Restated Standalone Statement of Other Incomes

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,		
	2020	2019	2018
Interest on FDR	0.41	0.83	0.41
<b>Total</b>	<b>0.41</b>	<b>0.83</b>	<b>0.41</b>
Note B.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.			

### **ANNEXURE – B.3: Restated Standalone Statement of Employee Benefit Expense**

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,		
	2020	2019	2018
Salary Expenses	397.42	250.48	194.28
Director Remuneration	41.71	36.91	-
Contribution of Provident Fund	21.65	11.26	7.66
Contribution of ESI	2.05	1.15	0.77
Administration Charges for PF	1.51	0.97	0.58
Bonus to Employees	16.75	10.75	0.55
Staff Welfare Expenses	0.65	1.57	1.83
<b>Total</b>	<b>481.74</b>	<b>313.09</b>	<b>205.68</b>

Note B.3.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.

### **ANNEXURE – B.4: Restated Standalone Statement of Depreciation & Amortization**

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,		
	2020	2019	2018
Depreciation Expenses	16.94	8.04	3.81
<b>Total</b>	<b>16.94</b>	<b>8.04</b>	<b>3.81</b>

Note B.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.

### **ANNEXURE – B.5: Restated Standalone Statement of Other Expenses**

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,		
	2020	2019	2018
Advertisement Expenses	-	0.89	0.20
Auditor's Remuneration	1.00	7.00	5.56
Bank Charges	1.02	1.70	0.39
Business Promotion Expenses	6.00	1.99	11.26
Certification Fees	-	0.06	0.28
Computer Accessories	5.08	3.81	1.69
Consultancy Charges	35.24	16.97	5.81
Conveyance Expenses	2.40	0.47	1.78
Donation Expenses	1.00	0.30	7.45
Electricity Expenses	6.15	3.42	1.85
Entertainment Expenses	3.75	0.69	0.66
Festival Expenses	-	0.23	0.79
Fooding Expenses	-	1.30	1.16
Foreign Exchange Loss	2.79	3.16	3.03
Foreign Travelling Expenses	1.71	-	-
Hotel Expenses	-	3.92	2.00
Internet Expenses	4.50	3.26	3.54
Membership Fees	0.41	-	0.01
Misc. Expenses	0.57	3.80	4.55
Office Expenses	10.01	3.52	2.20
Postage & Courier	0.01	0.01	0.32
Printing & Stationary Expenses	0.43	0.47	0.83

Professional Expenses	0.15	0.08	0.09
Professional Fee for Developers	37.88	102.17	31.09
Recruitment Expenses	-	6.60	9.88
Rent Expenses	57.15	21.27	12.90
Repair & Maintenance	0.70	0.25	0.23
Server & Website Expenses	21.89	4.15	6.25
Stock Listing Fees	10.00	-	-
ROC Fees & Registration Fees	2.66	0.50	
Travelling Expenses	12.72	6.49	3.13
Water Expenses	0.84	0.75	0.19
<b>Total</b>	<b>226.05</b>	<b>200.01</b>	<b>121.65</b>
Note B.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.			

#### **ANNEXURE – B.6: Restated Standalone Statement of Deferred Tax Asset / Liabilities**

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,		
	2020	2019	2018
WDV as per Companies Act, 2013 (A)	51.12	30.73	22.73
WDV as per Income tax Act, 1961 (B)	47.73	28.79	21.17
Difference in WDV (A-B)	-3.39	-1.94	-1.56
Restated Closing Balance of Deferred Tax Asset / (Liability)	-0.85	-0.50	-0.40
DTA/(DTL) Balance as per Previous Year	-0.50	-0.40	-0.53
Additional Provision to be made/Reversal of Provision/ Creation of Deferred Tax Asset	0.35	0.10	0.13
Note B.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Assets & liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.			

#### **ANNEXURE – E: STATEMENT OF MATERIAL ADJUSTMENT TO THE RESTATED STANDALONE FINANCIAL STATEMENT**

##### **1 Material Regrouping**

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

##### **2. Material Adjustments:**

The Summary of results of restatement made in the Audited Standalone Financial Statements for the respective years and its impact on the profit/ (loss) of the Company is as follows:

Reconciliation Statement of Profit & Loss			
Particulars	For The Year Ended March 31,		
	2020	2019	2018
<b>(A) Net Profits as per audited financial statements (A)</b>	<b>67.03</b>	<b>16.12</b>	<b>12.68</b>
Add/(Less) : Adjustments on account of -			
1)Prepaid Expenses of current Year	--	0.13	0.60
2)Prepaid Expenses from previous year account for	(0.13)	(0.60)	--
3)Provision for Expenses account for in Current Year	-	(0.35)	(7.81)

4) Reversal of Prior Period Expenses	0.35	0.44	0.23
5) Change in Provision for Current Tax	(0.06)	0.10	(0.21)
Total Adjustments (B)	0.16	(0.29)	(7.19)
<b>Restated Profit/ (Loss) (A+B)</b>	<b>67.19</b>	<b>15.83</b>	<b>5.50</b>

**Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:**

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,		
	2020	2019	2018
(A) Equity Share Capital as per Audited Financials	2.00	2.00	1.00
(B) Reserves & Surplus as per Audited Financials	84.87	17.85	27.92
<b>Total Equity as per Audited Financials</b>	<b>86.87</b>	<b>19.85</b>	<b>28.92</b>
Add/(Less) : Adjustments on account of -			
1) Adjustment in Profit & Loss Account	(0.09)	(0.25)	(7.41)
<b>Total Adjustments in Reserves &amp; Surplus (C)</b>	<b>(0.09)</b>	<b>(0.25)</b>	<b>(7.41)</b>
<b>Restated Reserves &amp; Surplus (B+C)</b>	<b>84.79</b>	<b>17.60</b>	<b>20.51</b>
<b>Restated Equity</b>	<b>86.79</b>	<b>19.60</b>	<b>21.51</b>

**Notes on Material Adjustments pertaining to prior years**

**(a) Prepaid Expenses charged to Profit & Loss Account**

Expenses related to Next year were transferred in Prepaid of Current Year & Prepaid Expenses carried forward from Previous Year is transferred to Expenses head in current year Adjustments not having impact on profit.

**(b) Provision for Expenses**

Expenses which are not accounted for in Audited Financials are accounted for in Restated Financials.

**(c) Change in Provision for Current Tax**

Since the Restated profit has been changed due to adjustment made as disclosed above, the impact of the same provided on the Provision for current accordingly as per Annexure – F “Restated Standalone Statement of Tax Shelter”

**(d) Reversal of Prior Period Expenses**

Prior Period Expenses has been transferred to related accounting period & the same has been reversed.

**Annexure - F: Restated Standalone Statement of Tax Shelters**

(Rs. In Lakhs)

Sr. No	Particulars	As at 31st March		
		2020	2019	2018
<b>A</b>	<b>Restated Profit before tax</b>	89.78	21.48	9.70
	Short Term Capital Gain at special rate	-	-	-
	Normal Corporate Tax Rates (%)	25.17%	26.00%	25.75%
	MAT Tax Rates (%)	15.60%	19.06%	19.06%
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>			
	Tax on normal profits	22.60	5.59	2.50
	<b>Total</b>	<b>22.60</b>	<b>5.59</b>	<b>2.50</b>
	<b>Adjustments:</b>			

<b>C</b>	<b>Permanent Differences</b>			
	Deduction allowed under Income Tax Act	-	-	6.61
	Disallowance of Expenses under the Income Tax Act	-	0.09	0.03
	<b>Total Permanent Differences</b>	-	<b>0.09</b>	<b>6.64</b>
<b>D</b>	<b>Timing Differences</b>			
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	(1.45)	(0.37)	0.15
	<b>Total Timing Differences</b>	<b>(1.45)</b>	<b>(0.37)</b>	<b>0.15</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>(1.45)</b>	<b>(0.28)</b>	<b>6.79</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	(0.37)	(0.07)	1.75
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>88.32</b>	<b>21.20</b>	<b>16.49</b>
H	Taxable Income/ (Loss) as per MAT	89.78	21.48	9.70
<b>I</b>	<b>Income Tax as per normal provision</b>	22.23	5.51	4.25
<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	17.27	4.09	1.85
	<b>Net Tax Expenses (Higher of I,J)</b>	22.23	5.51	4.25
<b>K</b>	Relief u/s 90/91	-	-	-
	<b>Total Current Tax Expenses</b>	<b>22.23</b>	<b>5.51</b>	<b>4.25</b>
<b>L</b>	Adjustment for Interest on income tax/ others	-	<b>0.04</b>	<b>0.09</b>
	<b>Total Current Tax Expenses</b>	<b>22.23</b>	<b>5.55</b>	<b>4.33</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.

#### Annexure - G : Restated Standalone Statement Of Capitalization

(Rs. In Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	-	-
B	Short Term Debt	-	-
C	<b>Total Debt</b>	-	-
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital	2.00	148.20
	Reserves and Surplus	84.79	406.59
D	<b>Total Equity</b>	<b>86.79</b>	<b>554.79</b>
	Long Term Debt/ Equity Ratio (A/D)	-	-
	Total Debt/ Equity Ratio (C/D)	-	-
Notes :			
1) Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities			
* The amounts are consider as outstanding as on 31.03.2020			

#### Annexure - H: Restated Standalone Statement of Contingent Liabilities

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	-	-	-
2. Capital Commitment	-	-	-
3. Income Tax Demand	-	-	-
4. TDS Demands	-	-	-
5. ESIC Demand	-	-	-
<b>Total</b>	-	-	-

### Annexure - I : Restated Standalone Statement Of Accounting Ratios

(Rs. In Lakhs)

Particulars	As at 31st March		
	2020	2019	2018
Restated PAT as per P&L Account (Rs. in Lakhs)	67.19	15.83	5.50
EBITDA	106.72	29.53	13.51
Actual No. of Equity Shares outstanding at the end of the period	20,000	20,000	10,000
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	498,600	498,600	249,300
Net Worth	86.79	19.60	21.51
Current Assets	43.52	31.97	28.07
Current Liabilities	78.54	48.98	31.17
Actual No. of Shares	20,000	20,000	10,000
Weighted Average No. of shares (Post Bonus & Right Issue)	498,600	498,600	249,300
Earnings Per Share			
EPS Basic & Diluted (Pre Bonus & Right Issue)	335.97	79.16	54.96
EPS Basic & Diluted (Post Bonus & Right Issue)	13.48	3.18	2.20
Return on Net Worth (%)	77.42%	80.80%	25.55%
Net Asset Value Per Share	433.95	97.98	215.10
Current Ratio	0.55	0.65	0.90
EBITDA	106.72	29.53	13.51
Nominal Value per Equity share(Rs.)	10	10	10
* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.			
Notes:			
1) The ratios have been calculated as below: a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year. b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year. c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100 d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.			
2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by Right Issue of 1,00,000 Shares made on April 23, 2020 & Bonus Issue in the ratio of 8:1 made on April 24, 2020			
3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.			
4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)			
5) The figures disclosed above are based on the Restated Financial Statements of the Company.			

### Annexure - J(A) : Restated Standalone Statement of Related Party Disclosures

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

I. List of Related Parties and Nature of Relationship :	
Particulars	Name of Related Parties
<b>1. Other Related Parties:</b>	
a) Director/ Key Management Personnel's	Mr. Ratan Kumar Srivastava
	Mrs. Deepali Verma
	Mr. Sachin Balkrishna Ramdasi (Resigned from Directorship w.e.f March 18, 2020)
	Mr. Ravinder Kumar Verma

b) Relatives of Director/ Key Management Personnel's	Mr. Gauri Shankar Srivastava
	Mr. Bal Krishna Ramdasi
	Mrs. Mayuri Sachin Ramdasi
	Mrs. Seema Srivastava
c) Concern's in which KMP or their relatives are interested	Kartik Solutions Private Limited
<b>Note 1:</b> With effect from 1st October, 2019, Kartik Solution Private Limited. is converted into Subsidiary Company of Ksolves India Limited	
<b>Note 2 :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.	

**ANNEXURE – J (B) - Transactions carried out with related parties referred to in (1) above, in ordinary course of business:**

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	As at March 31		
		2020	2019	2018
1. Directors Remuneration	Mr. Ratan Kumar Srivastava	41.71	36.91	-
<b>Total</b>		<b>41.71</b>	<b>36.91</b>	<b>-</b>
2. Reimbursement of Expenses	Mr. Sachin Balkrishna Ramdasi	0.22	7.31	1.33
	Mr. Ratan Kumar Srivastava	7.75	-	-
<b>Total</b>		<b>7.97</b>	<b>7.31</b>	<b>1.33</b>
3. Professional Fees	Mr. Ravindra Kumar Verma	23.73	18.30	12.11
	Mrs. Seema Srivastava	0.50	-	-
	Mr. Gauri Shankar Srivastava	-	30.90	6.71
	Mr. Bal Krishna Ramdasi	3.00	-	-
	Mr. Sachin Balkrishna Ramdasi	-	6.68	-
<b>Total</b>		<b>27.23</b>	<b>55.88</b>	<b>18.82</b>
4. Dividend Paid	Mr. Ratan Kumar Srivastava	-	6.23	-
	Mrs. Deepali Verma	-	6.23	-
	Mr. Sachin Balkrishna Ramdasi	-	3.12	-
<b>Total</b>		<b>-</b>	<b>15.58</b>	<b>-</b>
5. Salary	Mrs. Mayuri Sachin Ramdasi	14.29	19.62	12.30
<b>Total</b>		<b>14.29</b>	<b>19.62</b>	<b>12.30</b>
6. Purchase of Investments	Mr. Ratan Kumar Srivastava	26.25	-	-
	Mrs. Deepali Verma	26.25	-	-
<b>Total</b>		<b>52.50</b>	<b>-</b>	<b>-</b>
7. Loan Received/(Paid)	<b>Kartik Solution Private Limited</b>			
	Balance at the beginning of the year	-	-	-
	Add : Loan Received During the year	73.61	24.50	4.55
	Less : Loan Repaid during the year	73.61	24.50	4.55
	Balance at the end of the year	-	-	-
	<b>Seema Srivastava</b>			
	Balance at the beginning of the year	-	-	-
	Add : Loan Received During the year	-	3.15	-
	Less : Loan Repaid during the year	-	3.15	-
	Balance at the end of the year	-	-	-



<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.				

**ANNEXURE - J(III) - Outstanding Balance as at the end of the year**

(Rs. In Lakhs)

		<b>2020</b>	<b>2019</b>	<b>2018</b>
1. Payables	Mr. Sachin Balkrishna Ramdasi	-	0.18	-
<b>Total</b>		<b>-</b>	<b>0.18</b>	<b>-</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure D,A,B,C.

## INDEPENDENT AUDITORS' REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,

**The Board of Directors,  
Ksolves India Limited**

Dear Sirs,

We have examined the attached Restated Consolidated Audited Financial Information of Ksolves India Limited (formerly known as Ksolves India Private Limited ( hereunder referred to “the Company”, “Issuer”) & its subsidiary company i.e. Kartik Solutions Private Limited comprising the Restated Consolidated Audited Statement of Assets and Liabilities as at March 31, 2020, the Restated Consolidated Audited Statement of Profit & Loss, the Restated Consolidated Audited Cash Flow Statement for the Period ended March 31, 2020, the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Consolidated Financial Information) as approved by the Board of Directors in their meeting held on April 30, 2020 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the “Act”);;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“ICDR Regulations”) as amended (ICDR Regulations”); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. (“The Guidance Note”).

The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Delhi in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company for the year ended on March 31, 2020 on the basis of preparation stated in ANNEXURE – 4 to the Restated Consolidated Financial Information. The Board of Directors of the company’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulation and Guidance Note.

We have examined such Restated Consolidated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated April 25, 2020 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and ,
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

These Restated Consolidated Financial Information have been compiled by the management from:

- a) Consolidated Audited financial statements of company as at and for the year ended March 31, 2020 is prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.

We have audited the Consolidated Financial Statements of the Company year ended March 31, 2020 prepared by the Company in accordance with the Generally Accepted Accounting Standards for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report on these special purpose financial information to the Board of Directors.

The information has been extracted from the consolidated financial statements for the year ended March 31, 2020. The consolidated Financial Statement for the year ended March 31, 2020 have been audited by us.

The audit report on the consolidated financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the Year ended March 31, 2020 :-

- a) The Restated Consolidated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- b) The Restated Consolidated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) There were no qualifications in the Audit Reports issued by us for the year ended March 31, 2020 which would require adjustments in this Restated Consolidated Financial Statements of the Company;
- e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – 4 to this report;
- f) Adjustments in Restated Consolidated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies,
- g) There was no change in accounting policies, which needs to be adjusted in the Restated Consolidated Financial Information or Restated Summary Financial Statement;
- h) There are no revaluation reserves, which need to be disclosed separately in the Restated Consolidated Financial Information or Restated Summary Financial Statement
- i) The Company has paid dividend during the previous year & its subsidiary company has paid both in previous & current year.

The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim Consolidated financial statements and audited Consolidated financial statements.

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a) The “Restated Consolidated Statement of Assets and Liabilities” as set out in ANNEXURE – 1 to this report, of the Company as at March 31, 2020 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – 4 to this Report.
- b) The “Restated Consolidated Statement of Profit and Loss” as set out in ANNEXURE – 2 to this report, of the Company for the year ended March 31, 2020 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the

individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – 4 to this Report.

- c) The “Restated Consolidated Statement of Cash Flow” as set out in ANNEXURE – 3 to this report, of the Company for the year ended March 31, 2020 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – 4 to this Report.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the year ended March 31, 2020 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

Restated Consolidated Statement of Share Capital, Reserves And Surplus	Annexure – 1.1 & Annexure – 1.2
Restated Consolidated Statement of Long Term And Short Term Borrowings	Annexure – 1.3 & Annexure – 1.4
Restated Consolidated Statement of Trade Payables	Annexure – 1.5
Restated Consolidated Statement of Other Current Liabilities And Short Term Provisions	Annexure – 1.6 & Annexure – 1.7
Restated Consolidated Statement of Property, Plant & Equipments	Annexure – 1.8
Restated Consolidated Non-Current Investments	Annexure – 1.9
Restated Consolidated Statement of Deferred Tax Assets	Annexure – 1.10
Restated Consolidated Statement of Long Term loans & Advances	Annexure – 1.11
Restated Consolidated Statement of Cash & Bank Balances	Annexure – 1.12
Restated Consolidated Statement of Other Current Assets	Annexure – 1.13
Restated Consolidated Statement of Revenue from Operations	Annexure – 2.1
Restated Consolidated Statement of Other Income	Annexure – 2.2
Restated Consolidated Statement of Employee Benefit Expenses	Annexure – 2.3
Restated Consolidated Statement of Finance Cost	Annexure – 2.4
Restated Consolidated Statement of Depreciation & Amortisation	Annexure – 2.5
Restated Consolidated Statement of Other Expenses	Annexure – 2.6
Restated Consolidated Statement of Deferred Tax Asset / Liabilities	Annexure – 2.7
Material Adjustment to the Restated Consolidated Financial	Annexure – 5
Restated Consolidated Statement of Tax shelter	Annexure – 6
Restated Consolidated Statement of Capitalization	Annexure – 7
Restated Consolidated Statement of Contingent Liabilities	Annexure – 8
Restated Consolidated Statement of Accounting Ratios	Annexure – 9
Restated Consolidated statement of related party transaction	Annexure – 10

In our opinion and to the best of information and explanation provided to us, the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – 4 are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. A Y & Company, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI. The preparation and presentation of the Consolidated Financial Statements referred to above are based on the Consolidated Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations.

The Consolidated Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – 1 to 10 of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

**For, M/s A Y & CO.**  
**Chartered Accountants**  
**Firm Registration Number: - 020829C**  
**Peer Review No. – 011177**

**CA Arpit Gupta**  
**(Partner)**

**Membership No.421544**  
**UDIN - 20421544AAAAAV1051**

**Date: April 30, 2020**  
**Place: New Delhi**

### Annexure – 1: Restated Consolidated Statement of Assets and Liabilities

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at March 31, 2020
<b>A.</b>	<b>Equity and Liabilities</b>		
<b>1</b>	<b>Shareholders' Funds</b>		
	Share Capital	<b>1.1</b>	2.00
	Reserves & Surplus	<b>1.2</b>	85.59
<b>2</b>	<b>Minority Interest</b>		-
<b>3</b>	<b>Non-Current Liabilities</b>		
	Long-Term Borrowings	<b>1.3</b>	7.75
	Deferred Tax Liabilities (Net)		-
<b>4</b>	<b>Current Liabilities</b>		
	Short Term Borrowings	<b>1.4</b>	3.00
	Trade Payables :	<b>1.5</b>	
	(A) Total outstanding dues of micro enterprises and small enterprises; and		5.40
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.".]		20.89
	Other Current Liabilities	<b>1.6</b>	50.54
	Short Term Provisions	<b>1.7</b>	34.03
	<b>Total</b>		<b>209.20</b>
<b>B.</b>	<b>Assets</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	Property, Plant and Equipment	<b>1.8</b>	
	Tangible Assets		111.68
	Intangible Assets		5.99
	Non-Current Investments	<b>1.9</b>	1.00
	Deferred Tax Assets	<b>1.10</b>	0.45
	Long Term Loans & Advances	<b>1.11</b>	24.05
	Other Non-Current Assets		-
<b>2</b>	<b>Current Assets</b>		
	Current Investments		-
	Inventories		-
	Trade Receivables		-
	Cash and Cash Equivalents	<b>1.12</b>	5.54
	Short-Term Loans and Advances		-
	Other Current Assets	<b>1.13</b>	60.49
	<b>Total</b>		<b>209.20</b>

**Note:** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure 4, 2, 3.

**Annexure – 2: Restated Consolidated Statement of Profit and Loss**

(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For the period March 31, 2020
<b>A.</b>	<b>Revenue:</b>		
	Revenue from Operations	<b>2.1</b>	1013.23
	Other income	<b>2.2</b>	0.41
	<b>Total revenue</b>		<b>1013.64</b>
<b>B.</b>	<b>Expenses:</b>		
	Employees Benefit Expenses	<b>2.3</b>	560.20
	Finance costs	<b>2.4</b>	0.44
	Depreciation and Amortization	<b>2.5</b>	28.93
	Other expenses	<b>2.6</b>	333.24
	<b>Total Expenses</b>		<b>922.81</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>90.83</b>
	Exceptional Items		-
	<b>Profit before extraordinary items and tax</b>		<b>90.83</b>
	Extraordinary items		-
	<b>Profit before tax</b>		<b>90.83</b>
	<b>Tax expense :</b>		
	Current tax		23.51
	Deferred Tax	<b>2.7</b>	(0.67)
	<b>Profit (Loss) for the period from continuing operations</b>		<b>67.99</b>
	<b>Allocated to Non-Controlling Interest - (Transferred to Minority Interest)</b>		<b>-</b>
	<b>Allocated to Owner of Parents (Transferred to Reserve &amp; Surplus)</b>		<b>67.99</b>
	<b>Earning per equity share in Rs.:</b>		
	(1) Basic		13.64
	(2) Diluted		13.64
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, Statement of assets & liabilities and cash flows appearing in Annexure 4,1,3.			



### Annexure – 3: Restated Consolidated Statement of Cash Flows

(Rs. in Lakhs)

Particulars	For the Period Ended on March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit/ (Loss) before tax	<b>90.83</b>
Adjustments for:	
Depreciation	28.92
Payment of Prior Period Expenses	(0.35)
Adjustment for Non-Cash Items	0.13
Investment Income	(0.41)
Interest Expense	0.44
<b>Operating profit before working capital changes</b>	<b>119.56</b>
Movements in working capital :	
(Increase)/Decrease in Other Current Assets	(14.65)
Increase/(Decrease) in Trade Payables	26.29
Increase/(Decrease) in Other Current Liabilities	(5.18)
<b>Cash generated from operations</b>	<b>126.02</b>
Payment/Adjustment on Account of Tax Expenses	10.46
Payment of Dividend Distribution Tax	4.07
<b>Net cash from operating activities (A)</b>	<b>111.49</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of Property, Plant & Equipments	(55.33)
Addition on account of Goodwill through Consolidation	(5.99)
Investment Income	0.41
Increase in Loans & Advances	(16.66)
<b>Net cash from investing activities (B)</b>	<b>(77.57)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Interest paid on borrowings	(0.44)
Payment of Dividend	(19.80)
Proceeds/(Repayment) of Borrowings	(16.80)
<b>Net cash from financing activities (C)</b>	<b>(37.04)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(3.12)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>8.65</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5.54</b>
<b>Notes:</b>	
<b>1. Component of Cash Flows:</b>	
Cash on hand	<b>0.14</b>
Balance with Banks	<b>5.40</b>
2. Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.	
3. The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses appearing in Annexure 4,1,2	

## **Annexure – 4: Summary Significant Accounting Policies and Notes to Accounts As Restated**

### **A. COMPANY INFORMATION**

Company was originally incorporated on July 17, 2014 as “Keyon Softwares Private Limited” vide Registration No. 269020/ 2014-2015 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Delhi. Further, our Company has changed its name from “Keyon Softwares Private Limited” to Ksolves India Private Limited” vide Special Resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on September 27, 2014 and a fresh certificate of incorporation dated October 14, 2014 issued by the Registrar of Companies, Delhi. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Ksolves India Private Limited” to “Ksolves India Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on April 25, 2020 and a fresh certificate of incorporation dated April 28, 2020 issued by the Registrar of Companies, Delhi. The Corporate Identification Number of our Company is U72900DL2014PLC269020.

The Company is primarily engaged in Information and Information Enabled Services. Our Company together with its wholly owned subsidiary Kartik Solutions Private Limited will be referred as “Group”. We have subscribed to 10000 equity shares of Kartik Solutions Private Limited and we were allotted 10000 equity shares on October 01, 2019 resulting into acquisition of 99.99% of total equity share capital of Kartik Solutions Private Limited.

The Restated Consolidated Financial Statement of the company and its subsidiary have been prepared in accordance with Accounting Standards AS 21 – Consolidate Financial Statements combining on line to line basis by adding together like Items of assets, liabilities, income and expenses. Intercompany balances, transaction and unrealized profits or losses have been fully eliminated.

### **B. SIGNIFICANT ACCOUNTING POLICIES**

#### **1. Accounting Convention**

The financial statement are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

#### **2. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

#### **3. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

#### **4. Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

#### **5. Depreciation**

All fixed assets, except capital work in progress, are depreciated on Straight Line Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be.

#### **6. Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

#### **7. Inventories**

Since the company is in the business of providing services, so that there are no inventories.

#### **8. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Interest income is recognized on time proportion basis, when it is accrued and due for payment.

Dividend income is recognized in profit and loss account when right to receive dividend is established.

#### **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **10. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

## **11. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## **12. Foreign Currency Translation**

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the yearend are restated at closing rate..
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

## **13. Provision, 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.

## **C. NOTES ON ACCOUNTS**

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

### **2. Segment Reporting (AS 17)**

The Company at present is engaged in the business of software development services, which constitutes a single business segment. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

### **3. Change in Accounting Estimate**

In Restated Financial Information, the Company has calculated the depreciation based on the rates given in Schedule II of the Companies Act, 2013. In respect of assets whose useful life had already exhausted as on 1 April 2014, has been adjusted in Reserves and Surplus in accordance with requirements of Para 7 of Part C of Schedule II of the Act.

### **4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on March 31, 2020 except as mentioned in Annexure-8, for any of the years covered by the statements.

### **5. Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – 10 of the enclosed financial statements.

### **6. Accounting For Taxes on Income (AS 22)**

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under.

Particulars	For the Year ended on 31st March
	2020
<b>WDV as per Companies Act, 2013 (A)</b>	
Holding Company	51.12
Subsidiary Company	60.56
<b>Total (A)</b>	<b>111.68</b>
<b>WDV as per Income tax Act, 1961 (B)</b>	
Holding Company	47.73
Subsidiary Company	65.73
<b>Total (B)</b>	<b>113.46</b>
Difference in WDV (B-A)	1.78
Restated Closing Balance of Deferred Tax Asset / (Liability) <b>Total (C)</b>	0.45
DTA/(DTL) Balance at the beginning of the year	
Holding Company	-0.50
Subsidiary Company	0.28
<b>Total (D)</b>	<b>-0.22</b>
Additional Provision to be made/Reversal of Provision/ Creation of Deferred Tax Asset	-0.67

## MATERIAL ADJUSTMENT TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENT

### 1 Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Consolidated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

### 2. Material Adjustments :

The Summary of results of restatement made in the Audited Consolidated Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

Particulars	For The Year Ended March 31, 2020
<b>(A) Net Profits as per audited financial statements (A)</b>	67.82
<b>Add/(Less) : Adjustments on account of -</b>	
1) Prepaid Expenses from previous year account for	(0.13)
2) Reversal of Prior Period items	0.35
3) Change in Provision for Current Tax	(0.06)
<b>Total Adjustments (B)</b>	<b>0.16</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>67.99</b>

## Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

Particulars	As at March 31, 2020
<b>(A) Equity Share Capital As per Audited Financials</b>	<b>2.00</b>
<b>(B) Reserves &amp; Surplus as per Audited Financials</b>	<b>85.65</b>
<b>Total Equity as per Audited Financials</b>	<b>87.65</b>

<b>Add/(Less) : Adjustments on account of -</b>	
1) Adjustment in Profit & Loss Account	(0.06)
<b>Total Adjustments (C)</b>	<b>(0.06)</b>
<b>Restated Reserves &amp; Surplus (B+C) (D)</b>	<b>85.59</b>
<b>Restated Equity (A+D)</b>	<b>87.59</b>

### 3. Notes on Material Adjustments pertaining to prior years

#### (a) Prepaid Expenses charged to Profit & Loss Account

Prepaid Expenses carried forward from Previous Year is transferred to Expenses head in current year & resulting into decrease in Restated profit.

#### (b) Reversal of Prior Period Items

Expenses related to previous accounting year is transferred to respective year & resulting into increase in Restated Profit.

#### (c) Change in Provision for Current Tax

Since the Restated profit has been changed due to adjustment made as disclosed above, the impact of the same provided on the Provision for current accordingly as per Annexure – 6 “Restated consolidated Statement of Tax Shelter”

#### Adjustments not having impact on profit

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

**For M/s A Y & Company**  
**Chartered Accountants**  
**Firm Registration No : 020829C**  
**Peer Review No. : 011177**

**On behalf of Board of Directors**  
**Ksolves India Limited**

**Ratan Kumar Srivastava**  
**Chairman Cum Managing Director**  
  
**DIN : 05329338**

**Deepali Verma**  
**Whole Time Director cum**  
**Chief Financial Officer**  
**DIN : 05329336**

**CA Arpit Gupta**  
**Partner**  
**M. No. 421544**  
**UDIN - 20421544AAAAAV1051**

**Company Secretary**

**Date : April 30, 2020**  
**Place : New Delhi**

### Annexure - 1.1: Restated Consolidated Statement of Share Capital

(Rs in lakhs)

Particulars	As At 31st March
	2020
<b>Equity Share Capital</b>	
<b>Authorised Share Capital</b>	
16,00,000 (Previous Year: 20,000) Equity Shares of Rs 10 each	160.00
<b>Total</b>	<b>160.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b>	
20,000 (Previous Year: 20,000) Equity Shares of Rs 10 each	2.00
<b>Total</b>	<b>2.00</b>
<b>Notes:</b>	
<b>A. Right, Preferences and Restrictions attached to Shares :</b>	
As on March 31, 2020 the company have only one class of equity shares & each Shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.	

#### **B. Reconciliation of No. of Shares Outstanding at the end of the year**

Particulars	As At 31st March
	2020
<b>Equity Shares</b>	
Shares outstanding at the beginning of the year	20,000
Shares issued during the year	-
Bonus Shares issued during the year	-
Share outstanding at the end of the year	<b>20,000</b>

#### **C. Shares held by holding/ultimate holding company and/or their subsidiaries/associates:**

There is no Holding Company of Ksolves India Limited.

#### **D. Details of Shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	March 31, 2020	
	Nos	% of Holding
Deepali Verma	8,000	40.00%
Ratan Kumar Srivastava	8,000	40.00%
Sachin Kumar Ramdasi	4,000	20.00%
<b>Total</b>	<b>20,000</b>	<b>100.00 %</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.		

### Annexure – 1.2: Restated Consolidated Statement of Reserves and Surplus

(Rs. In Lakhs)

Particulars	As At 31st March
	2020
<b>Reserves &amp; Surplus</b>	
Balance as at the beginning of the year	17.60
Add: Profit for the year	67.99



Less : Bonus Shares Issued during the year	-
Balance as at the end of the year	<b>85.59</b>
<b>Total</b>	<b>85.59</b>
Note 1.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

### **Annexure – 1.3: Restated Consolidated Statement of Long Term Borrowings**

(Rs in lakhs)

Particulars	As At 31st March
	2020
<b>Secured:</b>	
From Banks:	
HDFC Bank Car Loan – BMW	7.75
<b>Total</b>	<b>7.75</b>
<b>Note 1.3.1:</b> There were no re-schedule or default in the repayment of loans taken by the Company.	
<b>Note 1.3.2:</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

### **Annexure – 1.3.1: Statement of Principal Terms of Secured Loans**

(Amount in Lacs)

Name of Lender	Purpose	Sanctioned Amount (Rs.)	Rate of interest	Securities offered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
							31-03-2020
HDFC Bank Limited	Car Loan	26.00	9.50%	By Hypothecation of Car	Repayable in 37 EMI of Rs. 80733.00	No Moratorium	16.32
<b>Total</b>		<b>26.00</b>					<b>16.32</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.							

### **Annexure – 1.4: Restated Consolidated Statement of Short Term Borrowings**

(Rs in lakhs)

Particulars	As At 31st March
	2020
<b>Unsecured:</b>	
<b>From Directors:</b>	
Mr. Ratan Kumar Srivastava	3.00
<b>Total</b>	<b>3.00</b>
<b>Note 1.4.1:</b> There were no re-schedule or default in the repayment of loans taken by the Company.	
<b>Note 1.4.2:</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

### Annexure – 1.4.1: Statement of Terms & Conditions of Unsecured Loans

A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities

B) Unsecured Loans from Promoters/Directors are interest free and all are taken without any preconditions attached towards repayments.

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
					31-03-2020
Ratan Kumar Srivastava	General Business Purpose	NIL	On demand	NA	3.00
<b>Sub Total</b>					<b>3.00</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.

### Annexure – 1.5: Restated Consolidated Statement of Trade Payables

(Rs. In Lakhs)

Particulars	As At 31st March
	2020
Trade Payables due to	
- Micro and Small Enterprises	5.40
- Others	
- Promotor/Promotor Group	
- Others	20.89
<b>Total</b>	<b>26.29</b>

Notes 1.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.

### Annexure – 1.6: Restated Consolidated Statement of Other Current Liabilities

Rs. In Lakhs)

Particulars	As At 31st March
	2020
Current Maturities of Long Term Debt	8.57
Duties & Taxes Payable	13.05
Expenses Payable	3.71
Advance Received from Customers	21.22
Audit Fees Payable	4.00
<b>Grand Total</b>	<b>50.54</b>

Note 1.6.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.

### Annexure – 1.7: Restated Consolidated Statement of Short Term Provisions

Rs. In Lakhs)

Particulars	As At 31st March
	2020
Provision for Income Tax	34.03
<b>Total</b>	<b>34.03</b>

Note 1.7.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.

**Annexure – 1.8: Restated Consolidated Statement of Property, Plant and Equipment**

(Rs. In Lakhs)

Particulars	As At 31st March
	2020
<b><i>Tangible Assets</i></b>	
<b>Furniture &amp; Fixtures</b>	
Gross Block at the beginning of the year	13.35
Additions	-
Deletion	-
Total Gross Block at the end of the year	13.35
Less: Accumulated Depreciation	4.69
Net Block	<b>8.65</b>
<b>Computer &amp; Laptop</b>	
Gross Block at the beginning of the year	29.21
Additions	35.16
Deletion	-
Total Gross Block at the end of the year	64.36
Less: Accumulated Depreciation	25.69
Net Block	<b>38.67</b>
<b>CCTV Camera</b>	
Gross Block at the beginning of the year	0.52
Additions	0.78
Deletion	-
Total Gross Block at the end of the year	1.30
Less: Accumulated Depreciation	0.28
Net Block	<b>1.02</b>
<b>Mobile</b>	
Gross Block at the beginning of the year	1.96
Additions	1.08
Deletion	-
Total Gross Block at the end of the year	3.04
Less: Accumulated Depreciation	1.30
Net Block	<b>1.75</b>
<b>Office Equipments</b>	
Gross Block at the beginning of the year	1.03
Additions	0.32
Deletion	-
Total Gross Block at the end of the year	1.34
Less: Accumulated Depreciation	0.32
Net Block	<b>1.02</b>
<b>Tangible Assets of Subsidiary Company</b>	
Gross Block at the beginning of the year	90.48
Additions	18.00
Deletion	-
Total Gross Block at the end of the year	108.48
Less: Accumulated Depreciation	47.91
Net Block	<b>60.56</b>
<b>Total Tangible Assets</b>	<b>111.68</b>
<b>Intangible Assets</b>	<b>111.68</b>
<b>Goodwill</b>	-
Gross Block at the beginning of the year	-
Additions	5.99

Deletion	-
Total Gross Block at the end of the year	<b>5.99</b>
Less: Accumulated Depreciation	-
Net Block	<b>5.99</b>
Notes 1.8.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

#### **Annexure – 1.9: Restated Consolidated Statement of Non-Current Investments**

(Rs. In Lakhs)

Particulars	As At 31st March
	2020
<b>Other non-current investments (Non trade)</b>	
Fixed Deposits	1.00
<b>Total</b>	<b>1.00</b>
Notes 1.9.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

#### **Annexure – 1.10: Restated Consolidated Statement of Deferred Tax Assets/(Liabilities) (Net)**

(Rs. In Lakhs)

Particulars	As At 31st March
	2020
<b>Deferred Tax Liability</b>	
Related to Fixed Assets	-
Loss Carried forward	-
<b>Total (a)</b>	<b>-</b>
<b>Deferred Tax Assets</b>	
Related to Fixed Assets	0.45
<b>Total (b)</b>	<b>0.45</b>
<b>Net deferred tax asset/(liability){(b)-(a)}</b>	<b>0.45</b>
Note 1.10.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

#### **Annexure – 1.11: Restated Consolidated Statement of Long Term Loans & Advances**

(Rs. In Lakhs)

Particulars	As At 31st March
	2020
Security Deposits for Rent	24.05
<b>Total</b>	<b>24.05</b>
Notes 1.11.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

#### **Annexure – 1.12: Restated Consolidated Statement of Cash and Bank Balances**

(Rs. In Lakhs)

Particulars	As At 31st March
	2020
<u>Cash &amp; Cash Equivalents</u>	-
Cash in hand	0.14

<b>Balances with Banks:</b>	
Current Accounts	3.90
In Deposit Accounts	1.50
<b>Total</b>	<b>5.54</b>
Notes 1.12.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

#### **Annexure – 1.13: Restated Consolidated Statement of Other Current Assets**

(Rs. In Lakhs)

Particulars	As At 31st March
	2020
GST Input	13.99
Advance Tax	23.75
Prepaid Expenses	3.08
Accrued Interest on FD	0.14
GST Refundable	15.38
Other Receivables	4.16
<b>Total</b>	<b>60.49</b>
Notes 1.13.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

#### **Annexure – 2.1: Revenue from Operations**

(Rs. In Lakhs)

Particulars	For the Year ended on 31st March
	2020
Turnover from Sale of Services	1013.23
<b>Total</b>	<b>1013.23</b>
Notes 2.1.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

#### **Annexure – 2.2: Restated Consolidated Statement of Other Income**

(Rs. In Lakhs)

Particulars	For the Year ended on 31st March
	2020
FD Interest Income	0.41
<b>Total</b>	<b>0.41</b>
Notes 2.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

**Annexure – 2.3: Restated Consolidated Statement of Employee Benefit Expense**

(Rs. In Lakhs)

Particulars	For the Year ended on 31st March
	2020
Salaries, wages and Other Benefits	453.69
Director's Remuneration	62.71
Admin Charges (PF)	1.51
Contribution to Provident Fund	21.65
Bonus to Employee	16.75
ESI Expenses	2.05
Staff Welfare Expenses	1.84
<b>Total</b>	<b>560.20</b>
Notes 2.3.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

**Annexure – 2.4: Restated Consolidated Statement of Finance costs**

(Rs. In Lakhs)

Particulars	For the Year ended on 31st March
	2020
Interest Expenses	0.44
<b>Total</b>	<b>0.44</b>
Notes 2.4.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

**Annexure – 2.5: Restated Consolidated Statement of Depreciation & Amortization**

(Rs. In Lakhs)

Particulars	For the Year ended on 31st March
	2020
Depreciation	28.93
<b>Total</b>	<b>28.93</b>
Note 2.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

**Annexure – 2.6: Restated Consolidated Statement of Other Expenses**

(Rs. In Lakhs)

Particulars	For the Year ended on 31st March
	2020
Auditor's Remuneration	4.00
Automobile Expenses	1.27
Bank Charges	1.26
Canteen Expenses	2.26
Computer Accessories Expenses	5.08
Consultancy Charges	61.36
Car Insurance	0.17

Conveyance Expenses	3.67
Donation	1.00
Electricity Expenses	7.07
Entertainment Expenses	3.75
Exchange Loss	5.93
Event Expenses	6.00
Fuel Charges	1.45
Hotel Expenses	0.74
Installation Charges	0.71
Internet Expenses	4.50
Membership Fees	1.53
Miscellaneous Expenses	0.68
Office Expense	11.36
Printing & Stationery Expenses	0.91
Professional Expense	0.15
Professional Fees For Developers	85.31
Office Rent Expense	69.15
Repair & Maintenance	0.70
Server & Website Expense	23.25
Stock Listing Fees	10.00
ROC Fee & Registration Fee	2.66
Foreign Travelling Expenses	1.71
Travelling Expenses	13.38
Water Expense	2.24
<b>Total</b>	<b>333.24</b>

Note 2.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.

#### **Annexure – 2.7: Restated Consolidated Statement of Deferred Tax Asset / Liabilities**

(Rs. In Lakhs)

Particulars	For the Year ended on 31st March
	2020
<b>WDV as per Companies Act, 2013 (A)</b>	
Holding Company	51.12
Subsidiary Company	60.56
<b>Total (A)</b>	<b>111.68</b>
<b>WDV as per Income tax Act, 1961 (B)</b>	
Holding Company	47.73
Subsidiary Company	65.73
<b>Total (B)</b>	<b>113.46</b>
Difference in WDV (B-A)	1.78
Restated Closing Balance of Deferred Tax Asset / (Liability)	<b>Total (C)</b> 0.45
DTA/(DTL) Balance at the beginning of the year	
Holding Company	-0.50
Subsidiary Company	0.28
<b>Total (D)</b>	-0.22
Additional Provision to be made/Reversal of Provision/ Creation of Deferred Tax Asset	-0.67

Note 2.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.



## Annexure - 5: Material Adjustment To The Restated Consolidated Financial Statement

### 1 Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Consolidated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

### 2. Material Adjustments :

The Summary of results of restatement made in the Audited Consolidated Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

Particulars	For The Year Ended March 31, 2020
<b>(A) Net Profits as per audited financial statements (A)</b>	67.82
<b>Add/(Less) : Adjustments on account of -</b>	
1) Prepaid Expenses from previous year account for	(0.13)
2) Reversal of Prior Period items	0.35
3) Change in Provision for Current Tax	(0.06)
<b>Total Adjustments (B)</b>	<b>0.16</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>67.99</b>

### Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

Particulars	As at March 31, 2020
<b>(A) Equity Share Capital As per Audited Financials</b>	<b>2.00</b>
<b>(B) Reserves &amp; Surplus as per Audited Financials</b>	<b>85.65</b>
<b>Total Equity as per Audited Financials</b>	<b>87.65</b>
<b>Add/(Less) : Adjustments on account of -</b>	
1) Adjustment in Profit & Loss Account	(0.06)
<b>Total Adjustments (C)</b>	<b>(0.06)</b>
<b>Restated Reserves &amp; Surplus (B+C) (D)</b>	<b>85.59</b>
<b>Restated Equity (A+D)</b>	<b>87.59</b>

### 4. Notes on Material Adjustments pertaining to prior years

#### (a) Prepaid Expenses charged to Profit & Loss Account

Prepaid Expenses carried forward from Previous Year is transferred to Expenses head in current year & resulting into decrease in Restated profit.

#### (b) Reversal of Prior Period Items

Expenses related to previous accounting year is transferred to respective year & resulting into increase in Restated Profit.

#### (c) Change in Provision for Current Tax

Since the Restated profit has been changed due to adjustment made as disclosed above, the impact of the same provided on the Provision for current accordingly as per Annexure – 6 “Restated consolidated Statement of Tax Shelter”

### Annexure - 6: Restated Consolidated Statement of Tax Shelters

(Rs in Lakhs)

Sr. No	Particulars	As at 31st March
		2020
<b>A</b>	<b>Restated Profit before tax</b>	90.83
	Normal Corporate Tax Rates (%)	25.17%
	MAT Tax Rates (%)	15.60%
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>	
	Tax on normal profits	22.86
	Short Term Capital Gain at special rate	0.00
	<b>Total</b>	<b>22.86</b>
	<b>Adjustments:</b>	
<b>C</b>	<b>Permanent Differences</b>	
	Deduction allowed under Income Tax Act	
	Exempt Income	
	Allowance of Expenses under the Income Tax Act Section 35	0.00
	Disallowance of Income under the Income Tax Act	-
	Disallowance of Expenses under the Income Tax Act	0.00
	<b>Total Permanent Differences</b>	<b>(0.00)</b>
<b>D</b>	<b>Timing Differences</b>	
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013 (Holding & Subsidiary)	2.60
	Provision for Gratuity disallowed	0
	Expense disallowed u/s 43B	0
	<b>Total Timing Differences</b>	<b>2.60</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>2.60</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	0.65
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>93.43</b>
<b>H</b>	Taxable Income/ (Loss) as per MAT	90.83
<b>I</b>	<b>Income Tax as per normal provision</b>	23.51
<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	14.17
	<b>Net Tax Expenses (Higher of I,J)</b>	23.51
<b>K</b>	Relief u/s 90/91	
	<b>Total Current Tax Expenses</b>	<b>23.51</b>
<b>L</b>	Adjustment for Interest on income tax/ others	0.00
	<b>Total Current Tax Expenses</b>	<b>23.51</b>

**Note:** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.

### Annexure - 7 : Restated Consolidated Statement of Capitalization

(Rs. In Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	16.32	16.32
B	Short Term Debt	3.00	3.00
C	<b>Total Debt</b>	<b>19.32</b>	<b>19.32</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital	2.00	148.20
	Reserves and Surplus	85.59	407.39
D	<b>Total Equity</b>	<b>87.59</b>	<b>555.59</b>
	Long Term Debt/ Equity Ratio (A/D)	0.19	0.03

	Total Debt/ Equity Ratio (C/D)	0.22	0.03
Notes :			
1) Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities			
* The amounts are consider as outstanding as on 31.03.2020			

#### **Annexure - 8 : Restated Consolidated Statement Of Contingent Liabilities**

Particulars	(Rs. In Lakhs)
	As at 31st March 2020
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	-
2. Capital Commitment	-
3. Income Tax Demand	-
4. TDS Demands	-
5. ESIC Demand	-
<b>Total</b>	-

#### **Annexure - 9: Restated Consolidated Statement of Accounting Ratios**

Particulars	As at 31st March 2020
Restated PAT as per P& L Account (Rs. in Lakhs)	67.99
EBITDA	120.20
Actual No. of Equity Shares outstanding at the end of the period	20,000
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	498,600
Net Worth	87.59
Current Assets	66.03
Current Liabilities	113.86
Earnings Per Share	13.64
EPS Basic & Diluted (Pre Bonus & Right Issue)	339.95
EPS Basic & Diluted (Post Bonus & Right Issue)	13.64
Return on Net Worth (%)	77.62%
Net Asset Value Per Share	437.95
Current Ratio	0.58
EBITDA	120.20
Nominal Value per Equity share(Rs.)	10
* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.	
Notes :	
1) The ratios have been calculated as below:	
a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.	
b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.	
c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100	
d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.	
2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by Right Issue of 1,00,000 Shares made on April 23, 2020 & Bonus Issue in the ratio of 8:1 made on April 24, 2020.	

3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)
5) The figures disclosed above are based on the Restated Financial Statements of the Company.

#### **Annexure - 10(A): Restated Statement of Related Party Disclosures as Restated**

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

#### **A. List of Related Parties and Nature of Relationship :**

Particulars	Name of Related Parties
<b>1. Other Related Parties:</b>	
a) Director's /Key Management Personnel's	Mr. Ratan Kumar Srivastava Mrs. Deepali Verma Mr. Sachin Balkrishna Ramdasi (Resigned from Directorship w.e.f March 18, 2020)
b) Director's /Relatives of Key Management Personnel's	Mr. Ravinder Kumar Verma Mrs. Mayuri Sachin Ramdasi Mrs. Anuradha Ramdasi Mr. Balkrishna Ramdasi Mrs. Shashi Verma Mrs. Seema Srivastava
<b>Note 1:</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3.	

#### **ANNEXURE - 10(B) - Transactions carried out with related parties referred to in (1) above, in ordinary course of business:**

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	For the Period Ended on 31st March
		2020
1. Directors Remuneration	Mr. Ratan Kumar Srivastava Mrs. Deepali Verma	41.71 42.00
<b>Total</b>		<b>83.71</b>
2. Reimbursement of Expenses	Mr. Ratan Kumar Srivastava Mr. Sachin Balkrishna Ramdasi	7.75 0.22
<b>Total</b>		<b>7.97</b>
3. Professional Fees	Mr. Ravindra Kumar Verma Mr. Sachin Balkrishna Ramdasi Mr. Bal Krishna Ramdasi Mrs. Seema Srivastava	55.68 55.02 12.00 0.50
<b>Total</b>		<b>111.20</b>
4. Salary	Mrs. Mayuri Sachin Ramdasi Mrs. Anuradha Ramdasi Mrs. Shashi Verma	14.29 6.60 18.00
<b>Total</b>		<b>38.89</b>
5. Dividend paid	Mr. Ratan Kumar Srivastava Mrs. Deepali Verma	9.90 9.90

	<b>Mr. Ratan Kumar Srivastava</b>	
	Balance at the beginning of the year	-
6. Loan Received/(Paid)	Add : Loan Received During the year	3.00
	Less : Loan Repaid during the year	-
	Balance at the end of the year	3.00
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure 4,1,2,3		

**Annexure - 10(C) - Outstanding Balance as at the end of the year**

(Rs. In Lakhs)

		<b>As at 31st March 2020</b>
1. Payables	Mr. Sachin Balkrishna Ramdasi	6.05
	Mr. Ratan Kumar Srivastava	3.00
	<b>Total</b>	<b>9.05</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure 4,1,2,3.		

### OTHER FINANCIAL INFORMATION

**Based on Restated Standalone Financial Statement of the Company:**

Particulars	As at 31st March		
	2020	2019	2018
Restated PAT as per P&L Account (Rs. in Lakhs)	67.19	15.83	5.50
EBITDA	106.72	29.53	13.51
Actual No. of Equity Shares outstanding at the end of the period	20,000	20,000	10,000
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	498,600	498,600	249,300
Net Worth	86.79	19.60	21.51
Current Assets	43.52	31.97	28.07
Current Liabilities	78.54	48.98	31.17
Actual No. of Shares	20,000	20,000	10,000
Weighted Average No. of shares (Post Bonus & Right Issue)	498,600	498,600	249,300
Earnings Per Share			
EPS Basic & Diluted (Pre Bonus & Right Issue)	335.97	79.16	54.96
EPS Basic & Diluted (Post Bonus & Right Issue)	13.48	3.18	2.20
Return on Net Worth (%)	77.42%	80.80%	25.55%
Net Asset Value Per Share	433.95	97.98	215.10
Current Ratio	0.55	0.65	0.90
EBITDA	106.72	29.53	13.51
Nominal Value per Equity share(Rs.)	10	10	10
* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.			
Notes:			
6) The ratios have been calculated as below: e) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year. f) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year. g) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100 h) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.			
7) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by Right Issue of 1,00,000 Shares made on April 23, 2020 & Bonus Issue in the ratio of 8:1 made on April 24, 2020			
8) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.			
9) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)			
10) The figures disclosed above are based on the Restated Financial Statements of the Company.			

**Based on Restated Consolidated Financial Statement of the Company:**

Particulars	As at 31st March
	2020
Restated PAT as per P&L Account (Rs. in Lakhs)	67.99
EBITDA	120.20
Actual No. of Equity Shares outstanding at the end of the period	20,000
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	498,600
Net Worth	87.59
Current Assets	66.03
Current Liabilities	113.86
Earnings Per Share	13.64
EPS Basic & Diluted (Pre Bonus & Right Issue)	339.95
EPS Basic & Diluted (Post Bonus & Right Issue)	13.64
Return on Net Worth (%)	77.62%
Net Asset Value Per Share	437.95
Current Ratio	0.58
EBITDA	120.20
Nominal Value per Equity share(Rs.)	10
* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.	
Notes :	
2) The ratios have been calculated as below:	
a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.	
b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.	
c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100	
d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.	
2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by Right Issue of 1,00,000 Shares made on April 23, 2020 & Bonus Issue in the ratio of 8:1 made on April 24, 2020.	
3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.	
4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)	
5) The figures disclosed above are based on the Restated Financial Statements of the Company.	



## **MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page 21 and "Forward Looking Statements" beginning on page 14, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the years ended March 31, 2020, 2019, and 2018 including the schedules and notes thereto and the reports thereto, which appear in the section titled "Financial Information of our Company" on Page No. 129 of the Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements*

### **Overview**

We are an ISO certified software services and product company offering solutions that enables client organizations to rapidly develop powerful applications addressing their strategic business needs. The applications created by us enable organizations to drive digital transformation and competitive differentiation. This may include automation of routine business functions, making them faster, easier and more accurate and increasing the channels or devices through which these functions can be performed. Our Company is basically engaged in software development, enterprise solutions and consulting, providing a range of Information Technology ("IT") solutions to companies across sectors such as Real Estate, E-commerce, Finance, Telecom and Healthcare etc. We design, develop and maintain software systems and solutions, create new applications and enhance the functionality of our customer's existing software products.

Our Company was founded in the year 2014 by Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma. Ksolves started off its journey as a custom application development company with few developers. Over the years, the company expanded immensely with team of strong and dedicated developers who work to offer impeccable development services to our customers worldwide in the various fields of software development, mobile development, Salesforce development, and a whole suite of other software applications in the market. The company also works on latest and trending technologies like Salesforce, AI, AR/VR, IoT, Chatbot, etc. Our clients trust is something that has made us reach so far. We are known and trusted for experience, knowledge, value, and our ability to deliver the solutions under all circumstances.

Ksolves endeavours to bring together creativity and knowledge with positive business strategy to furnish the requirements of diverse customers with an inclusive range of products and services which are comprehensive and cost effective so that the client can focus on their core-competencies to improve or expand their businesses. Ksolves have worked for numerous industries, realized their true potential and scale to global recognition such as for *Real Estate* - delivered customized solutions like integrating virtual tours of properties, IDX/MLS integration etc. that have helped them serve their customers better; *Education and Learning* - conceptualizing and delivering a knowledge network to building creative subject specific apps; *E-commerce and Retail* - delivering customized solutions such as setting up ecommerce stores using requirement appropriate store platforms, delivering innovative supply management solutions and modernizing ERP solutions etc. which improve traffic, retain existing customers and grow their businesses to greater milestones; *Social Media and Networking* – providing our expertise to help social media and networking firms in maximizing their deliverables across channels; *Logistics* - devising customized operations management systems to providing decision support and analytics through data consolidation, data warehousing etc.; *Healthcare* – providing engineering solutions for efficient patients record management to dishing out customized software requirements; *Tech & Software* – providing product engineering and development services to big data and business analytics related services; *Life Sciences* - providing them with top-of-the-line customized solutions that can help them reach their goals better and faster; *CRM* – providing Salesforce expertise for tracking every sales activity-each lead, customer and opportunity and be up-to-date with latest information and insights that help for better management of customer relationship; *Travel* - successfully developed a location based on-demand taxi app with full FAC payment integration, Google Map integration and Twilio integration for sending messages to users.

Additionally, our Company has acquired 100% stake in Kartik Solutions Private Limited in the year 2019 which become wholly owned Subsidiary company of our Company. Our Subsidiary Company is engaged in providing IT and IT Enabled Services which include mobile application development, web solutions, E-commerce solutions and cloud solutions.

Our Company's revenue is predominantly generated from exports sales and we are providing our Information Technologies services to clients over 30 countries and over 80% of sales comes from North American Clients.

For the year ended March 31, 2020, our Company's Total Standalone Income and Restated Standalone Profit after Tax were Rs. 814.51 Lacs and Rs. 67.19 Lacs respectively. For the year ended March 31, 2019, our Company's Total Standalone Income and Restated Standalone Profit after Tax was Rs. 542.62 Lacs and Rs. 15.83, compared to our Company's Total Standalone Income and Restated Standalone Profit after Tax of Rs. 340.85 Lacs and Rs. 5.50 Lacs respectively, over previous year ended i.e. March 31, 2018.

## OUR STRENGTHS

### *Customer satisfaction and revenues from long standing customer relationships*

We have long-standing relationships with our customers across the world. This is, in part, due to the high criticality of our product & services and technical knowhow to many of our customer's business needs. We establish long-term relationships with our customers for multi-layered engagement with various departments and divisions of the customer's organizations. Our broad range of product and services offerings helps us to cross-sell to our existing customers as well as to acquire new customers. We also conduct regular senior management reviews with our key customers to engage with them for feedback and future opportunities.

We combine our comprehensive range of product and service offerings with industry-specific expertise to provide tailored solutions to our customers across business verticals, industries and geographies. Our commitment to customer satisfaction enables us to strengthen our relationships.

We offer direct support to our customers and channel partners through a large global support and implementation team resulting in a quick turn-around and resolution to issues. Specialized center of excellence teams have been set up for certain products and solutions to guide and train both implementation partners and customers on best practices for effective and quick implementations.

### *Experienced Promoters and Management Expertise*

Our Company is promoted by Mr. Ratan Kumar Srivastava and Mrs. Deepali Verma who individually have approximate 15 years and 7 years of experience respectively. Having gained experience and worked with technology companies like Tech Mahindra, Birlasoft (India) Limited, HSBC and Persistent Systems, Mr. Ratan Kumar Srivastava ideated the incorporation of Ksolves in the year 2014. He was aided by Mrs. Deepali Verma who has vast experience in setting up business and handling overall finances further, our board of directors are supported by a team of well experienced and qualified personnel. For further details regarding the educational qualifications and experience of our Board of Directors and our Key Managerial Personnel please refer to chapter titled "Our Management" beginning on page 111 of this Draft Prospectus. We believe that our management team's experience and their understanding of the IT industry, specifically in the Real Estate, E-commerce, Finance, Telecom and Healthcare industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business.

### *Diversified revenue from multiple geographies*

Our Company have diversified revenue from multiple geographical reach across the world and 100% of revenue are generated from exports sales from various countries. As an IT products & service company, our presence in multiple geographies as service provider not only helps us in expanding our client base but also helps us by keeping ourselves in tune with the latest technological advancements world-wide. Our revenue-split from various geographies in recent periods is set out below:

Geographical Areas	Fiscal 2020		Fiscal 2019		Fiscal 2018	
	(In Lakhs)	(In %)	(In Lakhs)	(In %)	(In Lakhs)	(In %)
North America	711.02	87.34	479.25	88.46	309.45	90.90
Europe	87.97	10.81	55.92	10.32	27.13	7.97

Others	15.11	1.85	6.62	1.22	3.85	1.13
<b>Total Revenue from operations</b>	<b>814.10</b>	<b>100.00</b>	<b>541.79</b>	<b>100.00</b>	<b>340.43</b>	<b>100.00</b>

### ***Focused on driving innovation***

We are focused on driving innovation and adopting solutions in line with rapidly evolving technological trends. Our inherent culture of innovation has enabled us to develop a track record of product innovation, expand the range of our offerings and improve the delivery of our products and services. We have a dedicated team of skilled individuals with technical background and domain expertise in each of our industry verticals with a focus on evolving technologies. These teams follow a structured innovation and solutions development process and work with delivery functions to identify the key concerns of our customers and generate solutions, ideas and concepts to address such concerns.

We believe that our culture of innovation has enabled us to grow and retain our customer relationships and successfully achieve process and productivity improvement for our customers. This has enabled us to continuously expand and diversify our product and service offerings, as well as to maintain our competitiveness.

### ***Diversified business across several industrial verticals***

Our customers have used our platform to build diverse applications in many sectors. As of March 31, 2020, applications and software were built on our platform in different industrial verticals. We possess multi-vertical industry expertise and target a broad spectrum of services in our business and product offerings. Our revenues from customers across various sectors in recent periods are set out below:

(Amount in Lakhs)

<b>Sector</b>	<b>Fiscal 2020</b>	<b>Fiscal 2019</b>	<b>Fiscal 2018</b>
Ecommerce	97.50	117.19	95.23
Electronics & Communication	19.15	0.00	0.00
ERP Product	33.30	0.00	0.00
Financial Services	29.54	18.64	0.00
Healthcare	87.89	93.92	55.10
Logistics	30.76	4.49	0.00
Power & Utility	42.79	55.85	0.00
Services	374.25	129.17	115.20
Telecom	42.20	101.53	45.20
Others	56.72	21.00	29.70
<b>Grand Total</b>	<b>814.10</b>	<b>541.79</b>	<b>340.43</b>

This has helped us build solution frameworks which are enriched with domain knowledge from the relevant sector and subject matter experts across several industries. These frameworks have been built on our platform and are scalable and adaptable based on a particular customer's unique and constantly evolving business needs.

### ***Scalable Business Model***

Our business model is order driven, and comprises of optimum utilization of our existing resources, developing linkages with expertise of our development team and achieving consequent customer satisfaction. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale by venturing into different sectors where technologically advanced management is required and also by providing better products and solutions in the sectors that we already have presence in. The business scale generation is basically due to the development of new markets both international and domestic, innovation in the product range and by maintaining the consistent quality of the products and services.

## OUR STRATEGIES

### *Expand our Current Business Relationships*

Our goal is to build long-term sustainable business relationships with our customers to generate increasing revenues. We plan to continue to expand the scope and range of services provided to our existing customers by continuing to build our expertise in major industries and extending our capabilities into new and emerging technologies. In addition, we intend to continue to develop better solutions and new products for industry sectors which are significantly untapped. We will also seek to support a greater portion of the full product development life-cycle of our customers by offering targeted services for each phase of the software product life cycle. We also plan to assist our customers as they deploy their products to end-users through consulting and professional services that we offer onsite. In addition, we intend to continue to build relationships with various global companies as business partners which can provide us with better benefit by introducing local clients.

### *Attract, develop and retain highly-skilled employees*

Our employees are one of our most important assets. We focus on the quality and level of service that our employees deliver by investing in recruitment, development, retention, maintenance of a culture of innovation and by creating both a challenging and rewarding work environment. Our talent development strategy focusses on engaging, motivating and developing a high performing workforce and we aim to create and sustain a positive workplace culture for our employees and benchmark ourselves against our peers. We also have a competency training framework, seamlessly integrated into our business that has been designed for new employees to be “project-ready”.

### *Focus on efficiency*

Our goal is to help our customers with our products and solutions, in turn enabling them to deliver their products more efficiently. We have been building products and solution and providing services to leading companies. We have innovated and customized software processes that allow us to monitor and plan the progress of software projects. We have well-trained teams, pre-built frameworks and partnerships with other product companies that allow us to integrate product components and deliver products for our customers efficiently. This helps in reducing time to market and reducing the risk of engineering failures.

### *Optimal Utilization of Resources*

Our Company constantly endeavors to improve our technical process, and will increase service activities to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for our technical and designing process which enables us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

### *Invest in infrastructure and technology*

Our Company believes in making investments for continuously achieving higher levels of excellence in its products & services and implement dynamic and diverse specifications of our customers. We have invested significantly in equipping our technical team with the latest and specialized infrastructure and modern technology. We want to continue to work towards the upgradation and modernization of our infrastructure and technology.

## OUR LOCATION: -

<b>Registered Office</b>	H. No B-8/1, Ground Floor, Saidulajab, Delhi, South Delhi -110030 India.
<b>Corporate Office</b>	B-4 Third Floor, Sector 63, Noida -201301, Uttar Pradesh, India

## PLANT & MACHINERY: -

As on date of Draft Prospectus, Our Company does not possess any plant & machinery as we are providing services to our customers.

## **CAPACITY UTILIZATION:**

As our Company does have any Plant and Machinery, thus installed capacity or capacity utilization is not applicable.

## **COLLABORATIONS/ TIE – UPS/ JOINT VENTURES: -**

Except as disclosed in this Draft Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date of Draft Prospectus.

## **EXPORT AND EXPORT OBLIGATION: -**

Our Export sales for the last 3 financial years are as mentioned below:

Particulars	For the year ended March 31,		
	2020	2019	2018
<b>Exports Sales (in Lakhs)</b>	<b>814.10</b>	<b>541.79</b>	<b>340.43</b>
<b>% of Total Sales</b>	100%	100%	100%

Our Company does not have any export obligation as on date.

## **UTILITIES AND INFRASTRUCTURE FACILITIES: -**

Our corporate office is located at Noida, Uttar Pradesh. All our offices are equipped with computer systems, servers, relevant software and other communication equipment's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

### **Power**

The company require regular and uninterrupted power supply for our day to day business activates including lightings, systems, etc. adequate power supply is available for all our offices.

### **Water**

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

## **HUMAN RESOURCES**

Our Company believes that our ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. As of March 31, 2020, our Company has 123 employees including senior executives, engineers, developers and administrative staff.

### **Recruitment (talent acquisition):-**

Our talent acquisition philosophy is to recruit for attitude, train for skill and develop for leadership roles. Our Company is committed to helping our employees (including fresher) to develop and grow. We hire talented and experience personnel through recruitment agencies.

### **Retention**

Our human resources and compensation practices proactively address the factors that impact retention. These practices include: regular salary reviews, skill & performance related bonuses and established procedures. Our comprehensive Rewards and Recognitions programs honor both individuals and teams who go the extra mile to contribute to organizational growth. These programs and opportunities help to ensure that our employees are motivated and performance oriented.

### **SALES AND MARKETING: -**

Our success lies in the strength of our relationship with our customers. Our Chairman & Managing Director and whole-time Director, through their vast experience and good rapport with customers owing to timely and quality delivery of services plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, we regularly interact with them and focus on gaining an insight into their other additional needs and requirements. Our after-sale service and quality of work is the prime focus for maintaining the customers and increasing our customer through mouth publicity. We have already well-established market and the company has very good reputation among its customers and suppliers.

Ksolves' Sales and Marketing initiatives cater to finding prospective clients and catering to their specific pain points by establishing contact through various mediums like Digital Marketing, Email Marketing, LinkedIn Marketing, Cold-calling and one-on-one personal contact. This strategy is followed for both our products and services clients.

The various platforms that they employ to achieve their monthly targets includes DiscoverOrg, linkedin and Sendgrid.

Accordingly, to Ksolves, in today's social media age, we have unlimited ground to cover and even contact clients on unconventional mediums. Hence, we have a strong social media presence on all the trending social media platforms. Their idea is to forge a bond and ensure that we add value to their lives rather than blatantly selling them our products and services.

### **COMPETITION: -**

The market for IT Products and Services is both, highly competitive and rapidly evolving. It has evolved into a consolidated global industry and we face competition in markets. We primarily face competition from the small and large IT services companies as well as international technology services companies which offer broad-based services, offshore captive centers of global corporations and technology firms. We anticipate this competition to continue to grow as the demand for these services increases and we also expect additional companies to enter the market.

Further, Clients that presently outsource a significant proportion of their IT service requirements to vendors may seek to reduce their dependence on one country and outsource work to other offshore destinations such as China, Russia and Eastern European countries. Also, many countries have the advantage of being located in proximity to our main export markets of American and European countries. We also face competition from other countries mainly in US and European countries that have advanced technology and ability to cater to large scale businesses in different parts of the world.

We have a number of competitors offering products and services similar to us. We believe the principal elements of competition in IT industry are price, timely delivery and reliability and most importantly our pace in keeping up with the required changing technology in the industry. We believe that our cost effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in many of our products.

### **SIGNIFICANT DEVELOPMENT SUBSEQUENT TO THE LAST FINANCIAL YEAR: -**

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Draft Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:

1. Our Company has made Rights Issue of 1,00,000 equity shares in ratio of 5:1 to existing shareholders in Meeting of Board of Director dated April 23, 2020.
2. Our Company has made Bonus Issue of 9,60,00 equity shares in ratio of 8:1 to existing shareholders in Extra Ordinary General Meeting of Director dated April 24, 2020.
3. Our Company has appointed Mr. Suraj Mishra as Additional Non-Executive Independent Director in Board Meeting dated April 24, 2020.



4. Our Company was converted from Private Limited to Public Limited and name of Company is changed to Ksolves India Limited in Extra Ordinary General Meeting dated April 25, 2020 and received Certificate of Registration dated April 28, 2020 from Registrar of Companies, Delhi.
5. Our Company has appointed Mr. Dipanshu as Company Secretary and Compliance Officer and Mrs. Deepali Verma as Chief Financial Officer in Board Meeting dated April 28, 2020.
6. Our Company has appointment Mr. Arpit Goyal, Mr. Hemant Kumar and Mr. Veer Pratap Singh as Non-Executive Independent Director for period of five years in Annual General Meeting held on April 29, 2020
7. Our Company has regularized Mr. Suraj Mishra as Non-Executive Independent Director in Annual General Meeting held on April 29, 2020.
8. Our Company has designate Mr. Ratan Kumar Srivastava as Chairman cum Managing Director in Annual General Meeting held on April 29, 2020.
9. Our Company has designate Mrs. Deepali Verma as whole-time Director in Annual General Meeting held on April 29, 2020.
10. Our Company has accept the resignation of Mr. Suraj Mishra from Post of Non-Executive Independent Director in Board Meeting held on April 30, 2020.
11. Our Company have formed Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee in Board Meeting held on April 30, 2020.

#### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS: -**

1. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
2. Failure to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technologies and the industries we focus on;
3. The business or financial condition of our clients or the economy generally, or any developments in the IT sector in macroeconomic factors, which may affect the rate of growth in the use of technology in business type of technology spending by our clients and the demand for our services;
4. Pricing pressure due to intense competition in the market for IT Services;
5. Fail to attract, retain and manage the transition of our management team and other skilled professionals;
6. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
7. Ability to respond to technological changes;
8. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
9. Inability to successfully obtain registrations in a timely manner or at all;
10. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
11. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
12. Recession in the market;
13. Changes in laws and regulations relating to the industries in which we operate;
14. Effect of lack of infrastructure facilities on our business;
15. Our ability to successfully implement our growth strategy and expansion plans;
16. Our ability to meet our capital expenditure requirements;
17. Our ability to attract, retain and manage qualified personnel;
18. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
19. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
20. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
21. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
22. Conflicts of interest with affiliated companies, the promoter group and other related parties;



23. The performance of the financial markets in India and globally;
24. Any adverse outcome in the legal proceedings in which we are involved;
25. Our ability to expand our geographical area of operation;
26. Concentration of ownership among our Promoters.

### **Our Significant Accounting Policies:**

Our significant accounting policies are described in the section entitled “Financial Information of our Company” on page 129 of this Draft Prospectus.

### **Change in accounting policies in previous 5 (five) years**

Except as mentioned in chapter “Financial Information of our Company” on page no. 129, there has been no change in accounting policies in last 5 (five) years.

### **Summary of the Results of Operations**

The following table sets forth financial data from restated profit and loss account for the financial Year ended on March 31, 2020, 2019 & 2018 the components of which are also expressed as a percentage of total income for such periods.

(Amt. in Lacs)						
Particulars (For the Year ended)	31st March 2020	% of Total Income	31st March 2019	% of Total Income	31st March 2018	% of Total Income
Revenue from Operations	814.10	99.95	541.79	99.85	340.43	99.88
Other Income	0.41	0.05	0.83	0.15	0.41	0.12
<b>Total Income</b>	<b>814.51</b>	<b>100.00</b>	<b>542.62</b>	<b>100.00</b>	<b>340.85</b>	<b>100.00</b>
Employee Benefits Expenses	481.74	59.14	313.09	57.70	205.68	60.34
Finance Costs	-	-	-	-	-	-
Depreciation And Amortization Expense	16.94	2.08	8.04	1.48	3.81	1.12
Other Expenses	226.05	27.75	200.01	36.86	121.65	35.69
<b>Total Expenses</b>	<b>724.73</b>	<b>88.98</b>	<b>521.14</b>	<b>96.04</b>	<b>331.14</b>	<b>97.15</b>
Profit before exceptional and extraordinary items and tax	89.78	11.02	21.48	3.96	9.70	2.85
Exceptional/Prior Period item	--	--	--	--	--	--
<b>Profit before extraordinary items and tax</b>	<b>89.78</b>	<b>11.02</b>	<b>21.48</b>	<b>3.96</b>	<b>9.70</b>	<b>2.85</b>
Extraordinary item	--	--	--	--	--	--
<b>Profit Before Tax</b>	<b>89.78</b>	<b>11.02</b>	<b>21.48</b>	<b>3.96</b>	<b>9.70</b>	<b>2.85</b>
- Current Tax	22.23	2.73	5.55	1.02	4.33	1.27
- Deferred Tax Liability / (Asset)	0.35	0.04	0.10	0.02	-0.13	-0.04
<b>Restated profit after tax for the period from continuing operations</b>	<b>67.19</b>	<b>8.25</b>	<b>15.83</b>	<b>2.92</b>	<b>5.50</b>	<b>1.62</b>

### **Key Components of Company's Profit And Loss Statement**

**Revenue from Sale of Product:** Revenue from operations mainly consists from Sales of Softwares & Services

**Other Income:** Other Income Consist of Interest received from Bank on Fixed Deposits.

**Expenses:** Company's expenses consist of Employee benefit expenses, Administration & Other Expenses & Depreciation and Amortization expenses.

**Employee Benefits Expense:** Employee benefit expenses includes Salaries and Wages, Directors Remuneration & Contribution to Statutory Funds etc.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on a SLM Basis as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

**Other Expenses:** Other expenses includes Rent, Professional Fees for Developers, Consultancy Charges & Server & Website Expenses etc.

### **Financial Performance Highlights for the year ended 31<sup>st</sup> March, 2020**

#### **Total Income:**

The company's total income which includes from Sale of Softwares & Services during the financial year ended on March 31, 2020 was Rs. 814.51 Lakhs.

#### **Total Expenses:**

The total expenditure during the financial year ended on March 31, 2020 was Rs. 724.73 Lakhs. The total expenditure represents 88.98% of the total revenue. The total expenses are represented by Employee benefit expenses, Administration & Other Expenses, & Depreciation and amortization expenses. The main constituent of total expenditure is Employee Benefit Expenses.

#### **Profit/ (Loss) after tax:**

The restated net profit during the financial year ended on March 31, 2020 was Rs. 67.19 Lakhs representing 8.25% of the total revenue of the Company.

### **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2020 WITH FISCAL 2019**

#### **Total Income:**

During the year 2019-20 the total revenue of the company increased to Rs. 814.51 Lakhs as against Rs. 542.62 Lakhs in the year 2018-19, representing an increase of 50.10 % of the total revenue. This increase was mainly due to increase in sales of Softwares & services.

#### **Other Income:**

Other income of the Company for the year 2019-20 was Rs. 0.41 Lakhs in comparison with 0.83 Lakhs for F.Y. 2018-19.

#### **Total Expenses:**

The total expenditure for the year 2019-20 increased to Rs. 724.73 Lakhs from Rs. 521.14 Lakhs in year 2018-19, representing an increase of 39.07% to the previous year.

#### **Employee Benefits Expense:**

The Employee Benefit Expense comprises of salaries and wages expenses, Directors Remuneration & Contribution to Statutory Funds etc. The said expenses increased to Rs 481.74 Lakhs during the F.Y. 2019-20 from Rs. 313.09 Lakhs in the previous year 2018-19 representing an increase of 53.87% to the previous year.

***Depreciation and Amortization Expense:***

Depreciation for the year 2019-20 stood at Rs. 16.94 Lakhs calculated at SLM method as per companies Act. For the year 2018-19 the same was Rs. 8.04 Lakhs.

***Administrative and other Expenses:***

Administrative and Other expenses includes Rent, Professional Fees for Developers, Consultancy Charges & Server & Website Expenses etc. These expenses increased to Rs. 226.05 Lakhs for the year 2019-20 as against Rs. 200.01 Lakhs of the year 2018-19.

***Profit/ (Loss) Before Tax***

The company's profit before tax for F.Y. 2019-20 was Rs 89.78 Lakhs as against Rs. 21.48 Lakhs in the year 2018-19 representing an increase of 317.97% to the previous year.

***Profit/ (Loss) After Tax***

For the year 2019-20 the profit stood at Rs. 67.19 Lakhs as against the profit of Rs. 15.83 Lakhs for the year 2018-19, representing an increase of 324.45% to the previous year. This increase in profit after tax is happened due to increased turnover.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2019 WITH FISCAL 2018*****Total Income:***

During the year 2018-19 the total revenue of the company increased to Rs. 542.62 Lakhs as against Rs. 340.85 Lakhs in the year 2017-18, representing an increase of 59.20 % of the total revenue. This increase was mainly due to increase in sales of Softwares & services.

***Other Income:***

Other income of the Company for the year 2018-19 was Rs. 0.83 Lakhs in comparison with 0.41 Lakhs for F.Y. 2017-18.

***Total Expenses:***

The total expenditure for the year 2018-19 increased to Rs. 521.14 Lakhs from Rs. 331.14 Lakhs in year 2017-18, representing an increase of 57.38% to the previous year.

***Employee Benefits Expense:***

The Employee Benefit Expense comprises of salaries and wages expenses, Directors Remuneration & Contribution to Statutory Funds etc. The said expenses increased to Rs 313.09 Lakhs during the F.Y. 2018-19 from Rs. 205.68 Lakhs in the previous year 2017-18 representing an increase of 52.22% to the previous year.

***Depreciation and Amortization Expense:***

Depreciation for the year 2018-19 stood at Rs. 8.04 Lakhs calculated at SLM method as per companies Act. For the year 2017-18 the same was Rs. 3.81 Lakhs.

***Administrative and other Expenses:***

Administrative and Other expenses includes Rent, Professional Fees for Developers, Consultancy Charges & Server & Website Expenses etc. These expenses increased to Rs. 200.01 Lakhs for the year 2018-19 as against Rs. 121.65 Lakhs of the year 2017-18.

### ***Profit/ (Loss) Before Tax***

The company's profit before tax for F.Y. 2018-19 was Rs 21.48 Lakhs as against Rs. 9.70 Lakhs in the year 2017-18 representing an increase of 121.44% to the previous year.

### ***Profit/ (Loss) After Tax***

For the year 2018-19 the profit stood at Rs. 15.83 Lakhs as against the profit of Rs. 5.50 Lakhs for the year 2017-18, representing an increase of 187.82% to the previous year. This increase in profit after tax is happened due to increased turnover.

### **CASH FLOWS**

The table below sets forth our net cash flows with respect to operating activities, investing activities and financing activities for the periods indicated:

Particulars	For the year Ended on March 31		
	2020	2019	2018
Net Cash (used)/from Operating Activities	103.10	28.61	22.30
Net Cash (used)/from Investing Activities	(102.10)	(19.30)	(19.73)
Net Cash (used)/from Financing Activities	-	(14.58)	-

#### ***Cash Flow from Operating Activities***

Net cash flow from operating activities for the Fiscal 2020 was Rs. 103.10 lakhs as compared to the PBT of Rs. 89.78 lakhs for the same period. The difference was primarily on account of adjustment in Depreciation Expenses & Changes in Working Capital.

Net cash flow from operating activities for the Fiscal 2019 was Rs. 28.61 lakhs as compared to the PBT of Rs. 21.48 lakhs for the same period. The difference was primarily on account of Depreciation Expenses & Changes in Working Capital.

Net cash flow from operating activities for the Fiscal 2018 was Rs.22.30 lakhs as compared to the PBT of Rs. 9.70 lakhs for the same period. The difference was primarily on account of adjustment in Depreciation Expenses & Changes in Working Capital.

#### ***Cash Flow from Investing Activities***

Net cash flow from investing activities for the Fiscal 2020 was Rs (102.10) lakhs. The net cash paid primarily for purchase of Investments & Fixed Assets.

Net cash flow from investing activities for the Fiscal 2019 was Rs (19.30) lakhs. The net cash paid primarily for purchase of fixed Assets, Payment for loans & Advances.

Net cash flow from Investing activities for the Fiscal 2018 was (19.73) lakhs. The net cash paid primarily for purchase of fixed assets & Payment for loans & advances

#### ***Cash Flow from Financing Activities***

Net cash flow from financing activities for the Fiscal 2020 was NIL.

Net cash flow from financing activities for the Fiscal 2019 was Rs (14.58) lakhs. The net cash used comprises of Payment of Dividend.

Net cash flow from financing activities for the Fiscal 2017 was NIL.

### **Other Matters:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

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

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

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

Except for any change in economic policy affecting the IT industry in India, there are no other significant economic changes that may materially affect or likely to affect income from continuing operations.

### ***3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section “Risk Factors” beginning on page 21 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

### ***4. Future changes in relationship between costs and revenues***

Our Company’s future costs and revenues will be determined by growth of industry in which we operate.

### ***5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices***

Increases in revenues are by and large linked to increases in volume of our business.

### ***6. Status of any publicly announced New Products or Business Segment***

Our Company has not announced any new Product.

### ***7. Seasonality of business***

Our Company’s business is not seasonal in nature.

### ***8. Dependence on few customers/ clients***

The percentage of contribution of our Company’s Top Customers/Clients for the year ended March 31, 2020 is as follows:

Particulars	Customers
Top Ten (%)	71.66%

### ***9. Competitive conditions***

Competitive conditions are as described under the Chapters “Industry Overview” and “Our Business” beginning on pages 77 and 88, respectively of the Draft Prospectus.

### ***10. Details of material developments after the date of last balance sheet i.e. March 31, 2020***

Except as disclosed in this Draft Prospectus, no circumstances have arisen since the date of last financial statement until the date of filing the Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor’s Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

## CAPITALIZATION STATEMENT

To,

**The Board of Directors,  
Ksolves India Limited**

H.No. B-8/1, Ground Floor, Saidulajab, South Delhi,  
Delhi – 110030, India

**Sub: Proposed Public Offer of Ksolves India Limited.**

Dear Sir,

We have prepared the Statement of Capitalization based on the information & documents provided & relied upon for the purpose of inclusion of the same in the Draft Prospectus / Prospectus being issued by you. Statement of Capitalization is as under:

**Based on Restated Standalone Financial Statement of the Company:**

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	-	-
B	Short Term Debt	-	-
C	<b>Total Debt</b>	-	-
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital	2.00	148.20
	Reserves and Surplus	84.79	406.59
D	<b>Total Equity</b>	<b>86.79</b>	<b>554.79</b>
	Long Term Debt/ Equity Ratio (A/D)	-	-
	Total Debt/ Equity Ratio (C/D)	-	-
Notes :			
1) Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities			
* The amounts are consider as outstanding as on 31.03.2020			

**Based on Restated Consolidated Financial Statement of the Company:**

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	16.32	16.32
B	Short Term Debt	3.00	3.00
C	<b>Total Debt</b>	<b>19.32</b>	<b>19.32</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital	2.00	148.20
	Reserves and Surplus	85.59	407.39
D	<b>Total Equity</b>	<b>87.59</b>	<b>555.59</b>
	Long Term Debt/ Equity Ratio (A/D)	0.19	0.03
	Total Debt/ Equity Ratio (C/D)	0.22	0.03
Notes :			
1) Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities			
* The amounts are consider as outstanding as on 31.03.2020			

The above has been computed on the basis of Restated Financials of the Company.

**For, M/S A Y & CO**  
**Chartered Accountants**  
**F.R.N: - 020829C**

**ARPIT GUPTA**  
**Partner**  
**M.NO.-421544**  
**UDIN - 20421544AAAAAZ1269**

**Date: April 30, 2020**  
**Place: New Delhi**



## FINANCIAL INDEBTEDNESS

To,

**The Board of Directors,  
Ksolves India Limited**  
 H.No. B-8/1, Ground Floor,  
 Saidulajab, South Delhi,  
 Delhi – 110030, India.

The principal terms of loans as on **March 31, 2020** is as given below:

**Based on Restated Standalone Financial Statement of the Company: NIL**

**Based on Restated Consolidated Financial Statement of the Company:**

### A. Secured Loan

Name of Lender	Purpose	Sanctioned Amount (In Lacs)	Rate of interest	Security offered	Re-Payment Schedule	Moratorium	Outstanding amount as on 31.03.2019 as per Books
HDFC Bank Limited	Vehicle Loan	26.00	9.50	By Hypothecation of Car	Repayable in 37 EMI Rs. 80733 p.m.	No Moratorium	16.32
<b>Total</b>		26.00					16.32

### B. Unsecured Loan

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding Amount As On (as per Books)
					31.03.2020
Ratan Kumar Srivastava	Business Loan	Nil	On Demand	Nil	3.00
<b>Total</b>					<b>3.00</b>

### Terms and Conditions:

All Unsecured Loans from Directors/Promoters/Group Companies and other Companies are interest free and all are taken without any preconditions attached towards.

The above has been computed on the basis of Restated Financials of the Company.

**For, M/S A Y & CO**  
**Chartered Accountants**  
**F.R.N: - 020829C**

**ARPIT GUPTA**  
**Partner**  
**M.NO.-421544**  
**UDIN - 20421544AAAABA3527**

**Date: April 30, 2020**  
**Place: New Delhi**

## **SECTION X – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPEMENT**

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters or Group Companies. Our Board, in its meeting held on April 30, 2020, determined that litigation involving the Company, Directors, its Promoters and Group Companies: (a) where the monetary liability quantified exceeds 5% of the net profit of our Company as per the restated financial statements for the last full Fiscal; and (b) all such pending litigation, where the monetary liability is not quantifiable, however, the outcome of any such pending proceeding may have a material bearing on the business, operations, performance, prospects or reputation of our Company will be considered as material litigation (“Material Litigation”).*

*As per the materiality policy adopted by the Board of our Company in its meeting held on April 30, 2020, creditors of our Company to whom an amount in excess of 5% of the Net Profit of the Company as per the last audited financial statements was outstanding, were considered ‘material’ creditors. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI Regulations have been disclosed on our website at [www.ksolves.com](http://www.ksolves.com)*

*Our Company, Directors, Promoter and Group Companies are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.*

### **OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTERS AND SUBSIDIARIES**

#### **PART 1: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

##### **1) Litigation involving Criminal Laws**

NIL

##### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

##### **3) Disciplinary Actions by Authorities**

NIL

##### **4) Litigation involving Tax Liability**

Direct Tax

The Company has been issued with a show cause notice no. ITBA/RCV/S/221/2019-20/ 1024297839(1) dated 27.01.2020 issued u/s. 221(1) of the Income Tax Act, 1961 vide which the Company has been asked to show cause as to why penalty should not be levied against the Company u/s. 221(1) of the Income Tax Act, 1961 in respect of the pending demand of Rs. 1,31,000/- and Rs. 1,03,470/- for A.Y. 2017-18 and 2018-19 respectively, and has been called to present before the authority either personally or through representative on 03.02.2020. The Company has raised a dispute against the said demands and Show cause notices and the response in respect of same have been submitted online. Post submission of the response, no other communication has been received from the department due to lockdown implemented in view of COVID-19 pandemic.

A demand of Rs. 74,880/- has been raised against the Company u/s 143(1)(a) for A.Y. 2019-20 vide assessment order dated 28.02.2020

Indirect Tax – NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. CASES FILED BY OUR COMPANY**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTERS OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

One of our promoter Mr. Ratan Kumar Srivastava, has received a letter bearing no. ITBA/COM/F/17/2019-20/1025713256(1) dated 25.02.2020 from the Office of the Assistant Director of Income Tax, Intelligence and Criminal Investigation, DDIT/ADIT (I &CI), Noida calling for verification of information under Section 133(6) of the Income Tax Act, 1961 in respect of Purchase of Flat No. J-204, Prateek Lural, Sec 120, Noida wherein he has been called for providing source of funds used for the purchase of the Flat along with respective documents, within 10 days of receipt of the letter. However due to implementation of Lockdown owing to COVID-19 pandemic, no reply in respect of same could be submitted and it can be submitted by June 30, 2020 as per deferment notification of the department. As no further action has been taken in the matter by either parties, the liability which may arise to the promoter is not quantifiable as on date. However, as per the provisions of the Income Tax Act, 1961 the maximum amount of liability that can be incurred to the promoter shall be equivalent to the consideration of the property in question.

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

## **B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS**

### **1) Litigation involving Criminal Laws**

NIL

### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

### **3) Disciplinary Actions by Authorities**

NIL

### **4) Litigation involving Tax Liability**

NIL

### **5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

## **PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES**

### **A. LITIGATION AGAINST OUR SUBSIDIARIES**

#### **1) Litigation involving Criminal Laws**

NIL

#### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3) Disciplinary Actions by Authorities**

NIL

#### **4) Litigation involving Tax Liability**

NIL

#### **5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

### **B. LITIGATION FILED BY OUR SUBSIDIARIES**

#### **1) Litigation involving Criminal Laws**

NIL

#### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

### 3) Disciplinary Actions by Authorities

NIL

### 4) Litigation involving Tax Liability

NIL

### 5) Other Pending Litigation based on Materiality Policy of our Company

NIL

## **MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled “Management’s Discussion & Analysis of Financial Conditions & Results of Operations” beginning on page 180 there have been no material developments that have occurred after the Last Balance Sheet Date.

## **OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on March 31, 2020: -

<b>Name</b>	<b>Balance as on March 31, 2020 (in Lacs)</b>
Total Outstanding dues to Micro and Small & Medium Enterprises	5.40
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	14.73

## **WE CERTIFY THAT EXCEPT AS STATED HEREIN ABOVE:**

- There are no pending proceedings for offences for non-payment of statutory dues by the promoters of the Company.
- There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- There are no pending litigation against the promoters/ directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the promoters.
- There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- Except as stated herein, there are no litigations against the promoters / Directors in their personal capacity.
- The Company, its promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.

## **GOVERNMENT AND OTHER APPROVALS**

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:*

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled 'Key Regulations and Policies' on page no. 99 of this Draft Prospectus.

### **Approvals In Relation to Our Company's incorporation**

1. Certificate of Incorporation dated July 17, 2014 from the Registrar of Companies, Delhi, under the Companies Act, 2013 as "KEYON SOFTWARES PRIVATE LIMITED" (Corporate Identification No.: U72900DL2014PTC269020);
2. Fresh Certificate of Incorporation pursuant to change of name of the Company dated October 14, 2014 from Registrar of Companies, Delhi, under Companies Act, 2013 was issued consequent to change of name of the Company from "KEYON SOFTWARES PRIVATE LIMITED" to "KSOLVES INDIA PRIVATE LIMITED" (Corporate Identification No.: U72900DL2014PTC269020)
3. Fresh Certificate of Incorporation dated April 28, 2020 from the Registrar of Companies, Delhi, consequent to conversion of the Company "KSOLVES INDIA PRIVATE LIMITED" to "KSOLVES INDIA LIMITED" (Corporate Identification No. - U72900DL2014PLC269020)

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on April 28, 2020 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated April 29, 2020, under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated April 30, 2020 and [●] authorized our Company to take necessary action for filing the Draft Prospectus and Prospectus respectively with NSE EMERGE.

#### ***Approvals from Stocks Exchange***

1. Our Company has received in- principle listing approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the issue.

#### ***Other Approvals***

1. The Company has entered into a tripartite agreement dated [●] with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.

2. The Company has entered into an agreement dated [●] with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.

### Approvals/Licenses/Permissions in relation to our Business

#### *Tax Related Approvals*

S. No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	Not Applicable	AAFCK5669P	Commissioner of Income Tax,	22.01.2015	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	E5F/F Left Side, Old No. 133, Western Lane No. 1, Saidulajab, New Delhi.	DELK14654D	Income Tax Department	August 16, 2014	Valid till Cancelled
3.	Form ST-2 (Registration under Service Tax with Central Board of Excise And Customs)	104, C -Block, C-104, Sector -65, Noida - 201301, Uttar Pradesh, India	AAFCK5669PS D001	Central Excise Officer, Ministry of Finance-Department of Revenue	19.05.2015	Valid till Cancelled
8.	GST Registration Certificate	Principal Place of Business: 3rd Floor, Suite - 01, B-4, Sector-63, Noida, Gautam Buddha Nagar, Uttar Pradesh, 201301	09AAFCK5669P 1ZL	Central Board of Indirect Taxes & Customs	01.07.2017	Valid till Cancelled

#### *Other Approvals*

S.No.	Description		Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Certificate of Importer-Exporter Code (IEC)	Address: H. NO. B-8/1, GROUND FLOOR, SAIDULAJAB DELHI, SOUTH DELHI-110030  Branch code : 1 203, H-140, SECTOR-63, NOIDA NAIDA GAUTAM BUDDHA NAGAR UTTAR PRADESH 201301	AAFCK56669P	Office of Zonal Director General Of Foreign Trade, Central Licensing Area, 'A' Wing, New Delhi, Ministry of Commerce And Industry	12.06.2018	Valid till Cancelled
2.	Registration under the Employees Provident fund (EPF)	104, C-Block, C 104, Sector-65, Noida, Uttar Pradesh -201301	MRNOI1311747	Employees' Provident Fund Organization, Sub Regional Office, Noida	15.05.2015	Valid till Cancelled
3.	Registration under State	Place Of Business: 104, C-Block, C 104, Sector-65, 201301	6700057063000 1007	Sub-Regional Office, ESIC, Noida	14.05.2015	Valid till Cancelled



	Insurance Act (ESIC)					
4.	Registration under Uttar Pradesh Dookan Aur Vanijya Adhistan Niyamavali, 1963	104, C-Block, C-104, Sector-65, Noida	UPSA10000845	Labour Commissioner Organization, Uttar Pradesh	01.04.2015	31.03.2020*
6.	Udyog Aadhar Memorandum (UAM) Number	H-160, Sector-63, Noida, Uttar Pradesh -201301, India	UP28D0025721	MSME (Ministry of Micro Small & Medium Enterprises)	30.08.2019	Valid till Cancelled


\* The Registration under Uttar Pradesh Dookan Aur Vanijya Adhistan Niyamavali, 1963 is applied for renewal.

### Certificates Received:

S.No	Description		Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	ISO 9001:2015 For Quality Management system	B-4, Suite No. 301, Sector 63, Noida-201301, Uttar Pradesh, India	1550SAFV2017	VRS Certifications Services Pvt. Ltd. (Accredited by: International Accreditation for Certification Bodies IAFCB)	01.02.2017	Re-certificate due on 27.01.2023

### Intellectual Property

#### Trademarks registered/Objected/Abandoned in the name of our company

S. No	Brand Name/Logo Trademark	Class	Nature of Trademark and registration number	Owner	Number/ Date of Application	Authority	Current Status
1.		42	Registered vide Regn. No. 3287208	KSOLVES INDIA PRIVATE LIMITED	17.06.2016	Registrar of Trademark, Mumbai	Registered Valid upto 16.06.2026

### Domain Name

S.No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	Domain Name: KSOLVES.COM Registrar URL: http://www.	Registrar: Whois.godaddy.com Domain ID: 1855215341_DOMAIN_COM-VRSN	RATAN SRIVASTAVA Kartik Solutions, B06, C104, Noida, UP-201301, India	Created on 18.04.2014 Updated on: 18.04.2015	18.04.2025

The Registrant has assigned the domain name in favor of the company with exclusive right and entitlements vide transfer agreement dated April 29. 2020.

## **SECTION XI - OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Fresh Issue**

This Issue in terms of this Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated April 28, 2020 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on April 29, 2020 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the SME Platform of NSE for using its name in the Draft Prospectus/Prospectus pursuant to letter dated [●] NSE is the Designated Stock Exchange.

#### **Prohibition by the SEBI or other Governmental Authorities**

Our Company, our Promoters, our Promoter Group, our Directors, Person in control of Promoter or Company, Group Companies have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

#### **Association with Securities Market**

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors

#### **Prohibition by RBI**

Neither our Company, our Promoter, our Directors, Group Companies, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter “Outstanding Litigations And Material Development” beginning on page 195 of the Draft Prospectus.

#### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of the Draft Prospectus.

#### **Eligibility for the Issue**

Our Company is eligible for the Issue in accordance with the Regulation 229 (1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is less than ten crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE EMERGE in accordance with the Restated Standalone Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

1. Our Company was originally incorporated on July 17, 2014 as “Keyon Softwares Private Limited” vide Registration No. 269020/ 2014-2015 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Delhi. Further, our Company has changed its name from “Keyon Softwares Private Limited” to Ksolves India Private Limited” vide Special

Resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on September 27, 2014 and a fresh certificate of incorporation dated October 14, 2014 issued by the Registrar of Companies, Delhi. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Ksolves India Private Limited” to “Ksolves India Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on April 25, 2020 and a fresh certificate of incorporation dated April 28, 2020 issued by the Registrar of Companies, Delhi.

2. The Post Issue paid up capital of the company will be 14,82,000 equity shares of face value of ₹ 10/- aggregating to ₹1.48 Crore which is less than ₹ 25 Crore.
3. The company confirms that it has track record of more than 3 years.
4. The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth of our Company is Positive as per latest audited financial statement.
5. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
6. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
7. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
8. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.
9. Our Company has a website i.e. [www.ksolves.com](http://www.ksolves.com)
10. Our Company’s net worth and cash accruals from operations (earnings before depreciation and tax), based on the Restated Standalone Financial Statements included in this Draft Prospectus as at Fiscals ended March 31, 2020, 2019 and 2018 are set forth below:

(Amount in Lakhs)			
Particulars	March 31, 2020	March 31, 2019	March 31, 2018
Net Worth	86.79	19.60	21.51
Cash Accruals	106.72	29.53	13.51

- (i) *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.*
- (ii) *Cash accruals ” has been defined as the Earnings before depreciation and tax from operations.*

#### Other Disclosures:

- 1) We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company in the Draft Prospectus.
- 2) There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years. Except as mentioned in the Draft Prospectus. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- 3) We have Disclosed the details of the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter “Outstanding Litigation & Material Developments” on page no. 195 of this Draft Prospectus.

- 4) We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “Outstanding Litigation & Material Developments” on page no. 195 of this Draft Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the NSE EMERGE platform. NSE is the Designated Stock Exchange.
- Our Company has entered into an agreement dated [●] with NSDL and agreement dated [●] with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters are in dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals. For details, please refer the chapter “*Objects of the Issue*” on page no. 67 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, in accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. 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.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MERCHANT BANKER, SHRENI SHARES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, SHRENI SHARES PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●]**

**THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND 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 DRAFT PROSPECTUS.**

*Note:*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Delhi in terms of sections 26, 32 and 33 of the Companies Act,*

#### **Disclaimer from our Company and the Lead Manager**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM (Shreni Shares Private Limited) and our Company on April 30, 2020 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **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, HUFs, companies, corporate bodies and societies registered under 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 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, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Delhi.

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 Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause under Rule 144a of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S 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 will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each 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 and legislations in each jurisdiction, including India.

#### **Disclaimer Clause of the SME Platform of NSE**

"As required, a copy of this Draft Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide [●] permission to the Issuer to use the Exchange's name in this Draft Prospectus as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this Draft Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

#### **Listing**

The Equity Shares of our Company are proposed to be listed on SME Platform of NSE. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on SME Platform of NSE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft 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 and 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 NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company and shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period. Subject to applicable law.



## **Consents**

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue\*, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\* The Banker to the Issue consent will be taken while registering the Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s A Y & Co., Chartered Accountant Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Prospectus.

## **Experts Opinion**

Except for the reports in the section “Financial information of our Company” and “Statement of Tax Benefits” on page 129 and 75 of this Draft Prospectus from the Peer Review Auditors and Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Draft Prospectus except as disclosed in this Draft Prospectus.

## **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled “Capital Structure” beginning on page 56 of this Draft Prospectus.

## **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

## **Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates 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 – Public/rights issue of our Company and/or listed Group Companies/ Subsidiaries and Associates of our Company**

Except as stated in the chapter titled “Capital Structure” beginning on page 56 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

## **Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

Except as disclosed in this Draft Prospectus, All of our Group/ Associate are unlisted and have not made a public issue of shares.



**Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

**Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

**Option to Subscribe**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

**Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

**Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

**Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on April 30, 2020. For further details on the Stakeholders Relationship Committee, please refer to section titled "Our Management" beginning on page 111 of this Draft Prospectus.

**Our Company has appointed Mr. Dipanshu Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

**Mr. Dipanshu**

B-4 Third Floor, Sector 63,  
Noida -201301, Uttar Pradesh, India  
**Tel. No.:** +91-0120-4163248  
**E-mail:** [cs@ksolves.com](mailto:cs@ksolves.com)  
**Website:** [www.ksolves.com](http://www.ksolves.com)

Investors can contact the 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)

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### **Change in Auditors during the last three (3) years**

Except as disclosed in Chapter titled “General Information” beginning on Page 48 of this Draft Prospectus; there are no changes in the Auditors of the company during the last three years.

### **Capitalization of Reserves or Profits**

Except as disclosed under section titled “Capital Structure” beginning on page 56 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

### **Revaluation of Assets**

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Prospectus.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “Statement of Tax Benefits” beginning on page 75 of this Draft Prospectus.

### **Purchase of Property**

Other than as disclosed in Section “Our Business” on page 88 of the Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which:

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

### **Servicing Behavior**

Except as stated in this Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “Our Management” beginning on page 111 and Restated Statement of Related Party Transactions” under chapter titled “Financial Information of our Company” beginning on page 129 of the Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

### Statement on Price Information of Past Issues handled by Shreni Shares Private Limited:

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Cospower Engineering Limited*	2.04	51	30.03.2020	51.00	32.05% [15.05%]	--	--

Source: Price Information www.bseindia.com., Issue Information from respective Prospectus.

\* The Company Cospower Engineering Limited has not completed 90 and 180 days of listing, hence the above information is not available.

### Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20*	1	2.04	--	--	--	--	1	--	--	--	--	--	--	--
2018-19	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2017-18	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2016-17	--	--	--	--	--	--	--	--	--	--	--	--	--	--

\* The Company Cospower Engineering Limited has not completed 90 and 180 days of listing, hence the above information is not available.

#### Note:

- Price on BSE are considered for all above calculations.
- The S&P BSE Sensex are considered as the Benchmark.
- “Issue Price” is taken as “Base Price” for calculating % Change in Closing Price of the respective Issues on 30<sup>th</sup> / 90<sup>th</sup>/180<sup>th</sup> Calendar days from listing.
- “Closing Benchmark” on the listing day of respective scripts is taken as “Base Benchmark” for calculating % Change in Closing Benchmark on 30<sup>th</sup> / 90<sup>th</sup>/180<sup>th</sup> Calendar days from listing. Although it shall be noted that for comparing the scripts with

Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 5 below.

5. In case 30<sup>th</sup> / 90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered.

#### **Track Record of past issues handled by Shreni Shares Private Limited**

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.shreni.in](http://www.shreni.in)

#### **Note:**

**Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.**

## **SECTION XII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

For details in relation to Issue expenses, see “Objects of the Issue” and “Other Regulatory and Statutory Disclosures” on pages 67 and 202, respectively.

#### **Authority for the Issue**

The present Public Issue of 4,02,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on April 28, 2020 and was approved by the Shareholders of the Company by passing Special Resolution at the Annual General Meeting held on April 29, 2020 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to "Main Provisions of Articles of Association of the Company" on page 247 of the Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “Dividend Policy” on page 128 of the Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹ 10.00 each are being offered in terms of the Draft Prospectus at the price of ₹ 100.00 per equity Share (including premium of ₹ 90.00 per 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” on page 72 of the Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;

- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “Main Provisions of Articles of Association of the Company” beginning on page 247 of the Draft Prospectus.

### **Allotment only in Dematerialised Form**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated [●] between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated [●] between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

### **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 1200 Equity Shares and the same may be modified by the SME platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 1200 Equity Shares and is subject to a minimum allotment of 1200 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders in case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (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 is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Withdrawal of the Issue**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were 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 our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

### **Period of Operation of Subscription List of Public Issue**

<b>ISSUE OPENS ON</b>	[●]
<b>ISSUE CLOSES ON</b>	[●]

### **Minimum Subscription**

*In accordance with Regulation 260 (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 1,00,000 (Rupees One Lakh) per application.*

As per section 39 of the Companies Act 2013, 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 issue of 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 of Underwriters within 60 (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 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with SEBI ICDR Regulations, 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 amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of 1200 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 Exchange.

### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **As per the extant Guidelines 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, FPIs 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 on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled "Capital Structure" beginning on page 56 of the Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading "Main Provisions of the Articles of Association" on page 247 of the Draft Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

### **Allotment of Securities in Dematerialised Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

### **Migration to Main Board**

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 Crore 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 NSE 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

- If the Paid-Up Capital of our Company is more than ₹10.00 Crore and up to ₹ 25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and 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.

## Market Making

The shares offered through this Issue are proposed to be listed on the SME platform of NSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 48 of the Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹20 Crore	25%	24%

Further, the Market Maker shall give (2) Two ways quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

## New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

## Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

## Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Delhi.

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 may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is less than Rs. 10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of NSE). 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 212 and 221 of the Draft Prospectus.

The Issue comprise of a Public Issue of 4,02,000 Equity Shares of Face Value of ₹ 10/- each fully paid (The "Equity Shares") for cash at a price of ₹ 100/- per Equity Shares (*including a premium of ₹ 90/- per equity share*) aggregating to ₹ 402.00 lakhs (*"the issue"*) by our Company of which 20,400 Equity Shares of ₹ 10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 3,81,600 Equity Shares of ₹ 10/- each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 27.13% and 25.75% respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	4,02,000 Equity Shares	20,400 Equity Shares
Percentage of Issue Size available for allocation	94.93% of the Issue Size	5.07% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 1200 Equity Shares and further allotment in multiples of 1200 Equity Shares each. For further details please refer to "Issue Procedure" on page 221 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applications shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	<p><b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of 1200 Equity Shares at an Issue price of ₹ 100.00 each, such that the Application Value exceeds ₹ 2.00 Lakh.</p> <p><b><u>For Retail Individuals Investors:</u></b> 1200 Equity Shares at an Issue price of ₹ 100.00 each</p>	20,400 Equity Shares
Maximum Application Size	<p><b><u>For Other than Retail Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.</p> <p><b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of 1200 Equity Shares such that the Application Value does not exceed ₹2,00,000/-</p>	20,400 Equity Shares

Trading Lot	1200 Equity Shares	1200 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Application lot Size	1200 Equity Shares thereafter Equity Shares and in multiples of 1200	
Terms of Payment	The entire Application Amount shall be blocked by the SCSBs in the bank account of the Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI Mechanism) at the time of the submission of the Application Form	

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to “*Issue Structure*” on page 218 of the Draft Prospectus.

\*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - (i) Individual Applicant other than retail Individual Investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

#### **Withdrawal of the Issue**

The Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

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

#### **Issue Programme:**

<b>ISSUE OPENING DATE</b>	[●]
<b>ISSUE CLOSING DATE</b>	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.

- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## 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”) and including SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

As per SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, with effect from January 01, 2019, the UPI mechanism for retail individual investors through intermediaries will be made effective along with the existing process and existing timeline of T+6 days. The same will continue, for a period of 3 months or floating of 5 main board public issues, whichever is later. (Hereunder referred as “UPI Phase I”) Thereafter as per SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019, the timeline for implementation of UPI Phase I is extended by three months i.e. till June 30, 2019. In continuation with above circular, SEBI has issued circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, the Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later with effect from July 01, 2019 (“UPI Phase II”). Thereafter as per SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, the timeline for implementation of UPI Phase II is extended till March 31, 2020. Further as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/2 dated March 30, 2020, the UPI Phase II will continue until further notice by SEBI. Subsequently, the final reduced timeline of T+3 will be made effective using the UPI Mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI from time to time. Accordingly, the procedure set forth is under UPI Phase II

**Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change.** 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 Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

### **Phased implementation of Unified Payments Interface**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circular”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to



three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and was continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase will commence upon completion of Phase I i.e with effect from July 01, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. This Phase is further extended till March 31, 2020. As per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2 dated March 30, 2020, the UPI Phase II will continue until further notice by SEBI.

**Phase III:** Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days under this Phase and the implementation of this phase is yet to be notified by SEBI.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

#### **Fixed Price Issue Procedure**

The Issue is being made in compliance with the provisions of Reg. 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 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 issued 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 UPI ID (for RII Applicant Application using the UPI mechanism), 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 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 the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants (other than Retail Applicants using the UPI Mechanism) 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. Further Retail Individual Applicants may participate in the Offer through UPI by providing details about the bank account in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID 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 Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed color of the Application Form for various categories applying in this issue is as follows:

Category	Color*
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

\* Excluding electronic Application Form

Designated Intermediaries shall submit Application Forms (except the Application Form for a Retail Applicant using the UPI Mechanism) to SCSBs and shall not submit it to any non-SCSB bank.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Draft Prospectus. The Application Form shall contain information about the Applicants and the price and the number of Equity Shares that the Applicants wish to apply for. The Application Form downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB at the time of submitting the Application

An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called "Designated Intermediaries")

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants

### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Who can apply?**

In addition to the category of Applicants as set forth under “General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

### **Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

### **MAXIMUM AND MINIMUM APPLICATION SIZE**

#### **1. For Retail Individual Applicants**

The Application must be for a minimum of 1200 Equity Shares and in multiples of 1200 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

#### **2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2, 00,000 and in multiples of 1200 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2, 00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

### **Participation by Associates /Affiliates of LM and the Syndicate Members**

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

The Promoters, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Information for the Applicants:**

1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. 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 NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.
5. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
6. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
7. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
8. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
9. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to

the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.

10. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding person's resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
11. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

#### **Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

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 Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

#### **Applications by eligible NRIs/ FPI's on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office and at the office of Lead Manager to the Issue.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs 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 the 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.

#### **As Per the Current Regulations, The Following Restrictions Are Applicable for Investments By FPIs.**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills

and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.

2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b) Nothing contained in clause (a) shall apply to:
    - ❖ Any transactions in derivatives on a recognized stock exchange;
    - ❖ Short selling transactions in accordance with the framework specified by the Board;
    - ❖ Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
    - ❖ Any other transaction specified by the Board.
  - c) No transaction on the stock exchange shall be carried forward;
  - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
    - i. Transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
    - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018;
    - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
    - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
    - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
    - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - viii. Any other transaction specified by Board.
  - e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.



4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority
- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

9. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
10. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
11. Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.
12. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 % of the total issued capital of the company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.
13. An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
14. Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.



15. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Draft Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.
16. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “Know Your Client” requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.
17. In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

#### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

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.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

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.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **Application by SEBI Registered Alternative Investment Fund (AIF), Venture Capital Funds And Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

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 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 Regulations shall continue to be regulated by the VCF 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 LLP 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 IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, 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 Scheme) (5th Amendment) Regulations, 2010, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- (a) Equity shares of a company: The lesser of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) The industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted 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 therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA 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 therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged 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 the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, 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, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

### **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.

Application Form, failing which our Company reserve the right to reject any Application by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks 'interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

### **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.

### **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

### **Method and Process of Applications**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization 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/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Terms of payment**

The entire Issue price of ₹ 100 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment mechanism**

The applicants shall specify the bank account number in their 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, Non Retail 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 instructions 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 finalization 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 by the ASBA Applicant, as the case may be.

*Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.*

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) with respect to applications by Applicants, applications accepted and uploaded by any Designated 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 Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN

7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the 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 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.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.



### **Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein 20,400 Equity Shares shall be reserved for Market Maker and 1,90,800 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on 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 Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, 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 applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

### **Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- a) Our company has entered into an Underwriting Agreement dated [●].
- b) A copy of Prospectus will be filled with the RoC in terms of Section 26 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

### **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 Companies Act, 2013.

- a) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into 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 on its website. On the basis of 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 Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- c) 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. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.



**Designated Date:** On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

## **INTEREST AND REFUNDS**

### **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 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

## **GROUND FOR REFUND**

### **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. All the Stock Exchanges from where such permission is sought are disclosed in Draft Prospectus. The designated Stock Exchange may be as disclosed in the Draft Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate as disclosed in the Draft Prospectus.

## **MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

## **MODE OF REFUND**

### **IN CASE OF ASBA APPLICATION**

Within 6 working days of the Issue Closing Date, the Registrar to the Issue may give instruction to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

### **MODE OF MAKING REFUND FOR ASBA APPLICANTS**

In case of ASBA Application, the registrar of the issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

## INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent per annum if the allotment letters or refund orders have not been dispatched to the applicants 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 within eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

## General Instructions

### Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Retail Applicants using the UPI mechanism should ensure that the correct UPI ID is mentioned in the Application Form;
- Retail Applicants shall ensure that the bank, with which such Retail Applicants has a bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by the NPCI;
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to not release the funds blocked in the ASBA Account under the ASBA process;
- 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;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- For Retail Applicants using the UPI mechanism, ensure that you approve the request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner;

- Retail Applicants shall ensure that details of the Applications are reviewed and verified by opening the attachment in the UPI mandate request and then proceed to authorise the UPI request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Applicant may be deemed to have verified the attachment containing the application details of the Retail Applicant in the UPI mandate request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount mentioned in the Application Form;
- Retail Applicants using the UPI mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Application Form;
- Retail Applicants using the UPI mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of allotment in a timely manner;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that you have correctly signed the authorisation/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;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not submit more than 1 Application Form for each UPI ID in case of Retail Applicants Applying through the Designated Intermediary using the UPI Mechanism
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not make applications using third party bank accounts or using third party linked bank account UPI IDs
- Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Applicants using the UPI mechanism;
- Do not submit incorrect UPI ID details, if you are a Retail Applicants bidding through UPI Mechanism
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than five applications from one ASBA account.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centers for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

#### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. 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 of having accepted the application form, in physical or electronic mode, respectively.

#### **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 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 or send intimation via E-mail to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN or send intimation via E-mail shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### **MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications;
- Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration ("GIR") number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

#### **Minimum Subscription**

The requirement for 90% minimum subscription is not applicable to Issues under chapter IX of the SEBI ICDR Regulations.



As per Section 39 (1) of the Companies Act, 2013, if the minimum stated 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 our Company does not receive the 100% subscription of the offer through the offer including devolvement of Underwriter, if any, our

Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight (8) working days after our Company becomes liable to pay the amount, our Company and every officer in default other penalty as prescribed under the SEBI ICDR Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through the Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 1,00,000 (Rupees One Lakh) per application.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 1200 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 1200 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 1200 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 1200 equity shares subject to a minimum allotment of 1200 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a) The net offer of shares to the Public (i.e. 1,90,800 Equity Shares) shall be made available for allotment to retail individual investors; and
  - b) The balance net offer of shares to the public (i.e. 1,90,800 Equity Shares) shall be made available for allotment to Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/Institutions.
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than allocated portion on proportionate basis, the retails individual investors shall be allocated that higher percentage.

Our Company shall ensure that out of total allocated shares to the Category “Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions”, at least 15% of net offer of shares to the public shall be allocated to Non-Institutional Investors and not more than 50% shall be allocated to Qualified Institution Buyers including allocation of 5% to Mutual Funds.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this chapter titled “*Issue Procedure*” on page no. 221 of this Draft Prospectus.

“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 the SME Platform of NSE.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriter shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the SME Platform of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchanges, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Procedure and Time of Schedule for Allotment and Demat Credit**

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.

#### **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 Designated Intermediary where the Application was submitted 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, etc.

#### **Disposal of Application 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 2 (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 NSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.



The Issuer shall allot the equity shares offered to the public within the period prescribed by the Board. The Issuer may pay interest at the rate of 15% per annum in case demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Bid/ Offer Closing Date.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
  - In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
  - Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
  - PAN not mentioned in the Application Form;
  - GIR number furnished instead of PAN;
  - Applications for lower number of Equity Shares than specified for that category of investors;
  - Applications at a price other than the Fixed Price of the Issue;
  - Applications for number of Equity Shares which are not in multiples of 1200;
  - Category not ticked;
  - Multiple Applications as defined in the Prospectus;
  - ASBA Form by the Retail Individual Applicants by using third party bank accounts or using third party linked bank account UPI IDs;
  - In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
  - Applications accompanied by Stock invest/ money order/ postal order/ cash;
  - Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
  - Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
  - Applications by OCBs;
  - Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
  - Applications not duly signed;
  - Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
  - Applications by any person 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;
  - Applications not containing the details of Bank Account and/or Depositories Account.

### **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."

#### **Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That the our Promoters' contribution in full has already been brought in;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the 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 Issuer;

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company 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 utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) 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.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company will sign the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated [●] between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. [●]

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), with effect from April 28, 2017 later amended in January 2018, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 with amendments in January 2018 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. 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. In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 and as amended in January 2018 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted

basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017 and amendments in January 2018, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

#### **Revised Policy for Investment by Non-Resident Entities in India Amid current COVID-19 Pandemic Conditions:**

In order to curb opportunistic takeover / acquisition of Indian Companies due to current COVID-19 pandemic conditions, the Government of India has vide Press Note No. 3(2020 Series) have amended the extant FDI Policy, 2017 according to which A non-resident entity can invest in India, subject to the FDI Policy except in those sectors/activities which are prohibited. **However, an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route.** Further In the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction/purview as mentioned herein, such subsequent change in beneficial ownership will also require Government approval.

### **SECTION XIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

ARTICLE NO.	INTERPRETATION	HEADING
<b>1.</b>	<p>In these Articles unless there be something in the subject matter or context inconsistent therewith:</p> <ul style="list-style-type: none"> <li>i. “The Act” means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.</li> <li>ii. “Articles” means Articles of Association of the Company as originally framed or altered from time to time</li> <li>iii. “Beneficial Owner” shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.</li> <li>iv. “Board” or “Board of Director” means the Collective body of the Board of Directors of the Company.</li> <li>v. “Chairman” means the Chairman of the Board of the Directors of the Company.</li> <li>vi. “The Company” means Ksolves India Limited.</li> <li>vii. “Depositories Act, 1996” shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.</li> <li>viii. “Depository” shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.</li> <li>ix. “Directors” mean the Directors for the time being of the Company.</li> <li>x. “Dividend” includes any interim dividend.</li> <li>xi. “Document” means a document as defined in Section 2 (36) of the Companies Act, 2013.</li> <li>xii. “Equity Share Capital”, with reference to any Company limited by shares, means all share capital which is not preference share capital;</li> <li>xiii. “KMP” means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.</li> <li>xiv. “Managing Director” means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.</li> <li>xv. “Month” means Calendar month.</li> <li>xvi. “Office” means the registered office for the time being of the Company.</li> <li>xvii. “Paid-up share capital” or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;</li> <li>xviii. “Postal Ballot” means voting by post or through any electronic mode.</li> <li>xix. “Proxy” includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.</li> <li>xx. “Public Holiday” means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.</li> <li>xxi. “Registrar” means the Registrar of Companies of the state in which the</li> </ul>	Interpretation

	<p>Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.</p> <p>xxii. “Rules” means the applicable rules as prescribed under the relevant sections of the Act for time being in force.</p> <p>xxiii. “SEBI” means Securities &amp; Exchange Board of India established under Section 3 of the Securities &amp; Exchange Board of India Act, 1992.</p> <p>xxiv. “Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)</p> <p>xxv. “Share” means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.</p> <p>xxvi. “Seal” means the common seal of the Company.</p> <p>xxvii. “Preference Share Capital”, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—  (i) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and  (ii) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;</p> <p>xxviii. “Persons” include corporations and firms as well as individuals.</p> <p>Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.</p> <p>Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.</p> <p>‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.</p>	
<b>2.</b>	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	Share Capital
<b>3.</b>	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
<b>4.</b>	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	Issue of Sweat Equity Shares
<b>5.</b>	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that	Issue of Debentures



	they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	
<b>6.</b>	<p>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 fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.</p> <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. 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.</p>	Issue of Share Certificate
<b>7.</b>	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.	
<b>8.</b>	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.	
<b>9.</b>	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company..	
<b>10.</b>	<p>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 thereunder.</p> <p>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.</p> <p>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.</p>	Power to pay Commission In connection with the Securities issued



<b>11.</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	Variations of Shareholder's rights
<b>12.</b>	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 <i>pari passu</i> therewith.	
<b>13.</b>	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of 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.	Issue of Preference Shares
<b>14.</b>	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <ul style="list-style-type: none"> <li>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</li> <li>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</li> <li>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</li> </ul> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:  Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p>	Further Issue of shares
<b>15.</b>	<ul style="list-style-type: none"> <li>i. The Company shall have a first and paramount lien— <ul style="list-style-type: none"> <li>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</li> <li>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:</li> </ul> </li> </ul>	Lien

	<p>c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>	
<b>16.</b>	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>	
<b>17.</b>	<p>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>	
<b>18.</b>	<p>i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p>	
<b>19.</b>	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles: -</p> <p>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</p> <p>b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p> <p>c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</p> <p>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</p> <p>e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any</p>	Joint Holdings

	<p>documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>	
<b>20.</b>	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	Calls on Shares
<b>21.</b>	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	
<b>22.</b>	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	
<b>23.</b>	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	
<b>24.</b>	<p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	
<b>25.</b>	The Board—	

	<ul style="list-style-type: none"> <li>i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</li> <li>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</li> </ul>	
<b>26.</b>	Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up. Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.	
<b>27.</b>	The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.	
<b>28.</b>	The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.	
<b>29.</b>	<ul style="list-style-type: none"> <li>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</li> <li>ii. Each share in the Company shall be distinguished by its appropriate number.</li> <li>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</li> </ul>	
<b>30.</b>	<ul style="list-style-type: none"> <li>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</li> <li>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</li> </ul>	
<b>31.</b>	<p>2. The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> <li>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>ii. any transfer of shares on which the Company has a lien.</li> <li>iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</li> </ul>	Transfer of Shares
<b>32.</b>	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <ul style="list-style-type: none"> <li>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</li> <li>ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.</li> </ul> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> <li>iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</li> <li>iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the</li> </ul>	

	<p>Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;</p> <p>v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</p>	
<b>33.</b>	The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay	
<b>34.</b>	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year</p>	
<b>35</b>	The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.	
<b>36.</b>	The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.	Register of Transfers
<b>37.</b>	<p>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p> <p>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>b. Option for Investors:</p> <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form: -</p> <ul style="list-style-type: none"> <li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li> <li>• Nothing contained in Sections 88, 89, 112 &amp; 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</li> </ul> <p>d. Rights of Depositories &amp; Beneficial Owners: -</p> <p>Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p>	Dematerialisation of Securities

	<p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
<b>38.</b>	<p>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.</p> <p>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.</p>	Transmission of Shares
<b>39.</b>	<p>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—</p> <ol style="list-style-type: none"> <li>to be registered himself as holder of the share; or</li> <li>to make such transfer of the share as the deceased or insolvent member could have made.</li> </ol> <p>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.</p>	
<b>40.</b>	<p>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.</p>	

	<p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>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.</p>	
<b>41.</b>	<p>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:</p> <p>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.</p>	
<b>42.</b>	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of administration, Certificate of Death or marriage, power of attorney or similar other documents.</p>	
<b>43.</b>	<p>If a member fails to pay any call, or instalment 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 instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p>	
<b>44.</b>	<p>The notice aforesaid shall—</p> <p>i. 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</p> <p>ii. 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.</p>	
<b>45.</b>	<p>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.</p>	
<b>46.</b>	<p>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>	
<b>47.</b>	<p>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.</p> <p>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.</p>	
<b>48.</b>	<p>i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p>	

Forfeiture of  
Shares



	<ul style="list-style-type: none"> <li>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</li> <li>iii. The transferee shall thereupon be registered as the holder of the share; and</li> <li>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.</li> </ul>	
<b>49.</b>	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	
<b>50.</b>	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	
<b>51.</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	
<b>52.</b>	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
<b>53.</b>	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.	
<b>54.</b>	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	
<b>55.</b>	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	Initial payment not to preclude forfeiture
<b>56.</b>	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	
<b>57.</b>	<p>Subject to the provisions of section 61, the Company may, by ordinary resolution,—</p> <ul style="list-style-type: none"> <li>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>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;</li> <li>iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>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.</li> </ul>	Alteration of Share Capital

<b>58.</b>	<p>Where shares are converted into stock,—</p> <p>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:</p> <p>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.</p> <p>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.</p> <p>iii. Such of the articles 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.</p>	Conversion of Shares into Stock
<b>59.</b>	<p>The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, —</p> <p>i. its share capital;</p> <p>ii. any capital redemption reserve account; or</p> <p>iii. Any share premium account.</p>	Reduction of Capital
<b>60.</b>	<p>The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p>	Share Warrants

	<p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	
<b>61.</b>	<ol style="list-style-type: none"> <li>i. The Company in general meeting may, upon the recommendation of the Board, resolve— <ol style="list-style-type: none"> <li>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</li> <li>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.</li> </ol> </li> <li>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— <ol style="list-style-type: none"> <li>a. paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</li> <li>c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>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;</li> <li>e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</li> </ol> </li> <li>iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.</li> </ol>	Capitalization of Profits
<b>62.</b>	<ol style="list-style-type: none"> <li>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall— <ol style="list-style-type: none"> <li>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</li> <li>b. generally to do all acts and things required to give effect thereto.</li> </ol> </li> <li>ii. The Board shall have power— <ol style="list-style-type: none"> <li>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 infractions; and</li> <li>b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits</li> </ol> </li> </ol>	

	<p>resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
<b>63.</b>	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.	Buy back of Shares
<b>64.</b>	All General Meetings other than annual general meeting shall be called extraordinary general meetings	General Meeting
<b>65.</b>	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. 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.</p>	
<b>66.</b>	<p>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.</p> <p>ii.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	Proceedings at General Meetings
<b>67.</b>	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	
<b>68.</b>	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.	
<b>69.</b>	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.	
<b>70.</b>	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
<b>71.</b>	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	

<b>72.</b>	<ul style="list-style-type: none"> <li>ii. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</li> <li>iii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</li> </ul>	Demand for Poll
<b>73.</b>	<ul style="list-style-type: none"> <li>i. A poll demanded on a question of adjournment shall be taken forthwith.</li> <li>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</li> </ul>	Time of taking Poll
<b>74.</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</li> <li>iv. 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.</li> </ul>	Adjournment of Meeting
<b>75.</b>	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <ul style="list-style-type: none"> <li>i. on a show of hands, every member present in person shall have one vote; and</li> <li>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.</li> </ul>	Voting Rights
<b>76.</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
<b>77.</b>	<ul style="list-style-type: none"> <li>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.</li> <li>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</li> </ul>	
<b>78.</b>	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.	
<b>79.</b>	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	

<b>80.</b>	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
<b>81.</b>	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.	
<b>82.</b>	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.	
<b>83.</b>	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
<b>84.</b>	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	Casting Vote
<b>85.</b>	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	Representation of Body Corporate
<b>86.</b>	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	Circulation of member's Resolution
<b>87.</b>	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	Resolution requiring special notice
<b>88.</b>	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date	Resolutions passed at adjourned meeting
<b>89.</b>	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	Registration of resolutions and agreements
<b>90.</b>	i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered. ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed: A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting. B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose. C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.	Minutes of proceedings of general meeting and of Board and other meetings

	<p>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <ol style="list-style-type: none"> <li>the names of the Directors present at the meetings, and</li> <li>in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</li> </ol> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <ol style="list-style-type: none"> <li>is or could reasonably be regarded, as defamatory of any person</li> <li>is irrelevant or immaterial to the proceedings; or</li> <li>in detrimental to the interests of the Company.</li> </ol> <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	
<b>91.</b>	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	Minutes to be considered to be evidence
<b>92.</b>	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	Publication of reports of proceeding of general meetings
<b>93.</b>	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.	Proxy
<b>94.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
<b>95.</b>	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.	
<b>96.</b>	The First Directors of the Company shall be:	Board of Directors
	<ol style="list-style-type: none"> <li>Mr. Ratan Kumar Srivastava</li> <li>Ms. Deepali Verma</li> </ol>	
<b>97.</b>	The Directors need not hold any "Qualification Share(s)".	
<b>98</b>	Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the	



	<p>Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p>	
<b>99.</b>	<ul style="list-style-type: none"> <li>i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</li> <li>ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them— <ul style="list-style-type: none"> <li>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</li> <li>b. in connection with the business of the company.</li> </ul> </li> </ul>	
<b>100.</b>	The Board may pay all expenses incurred in getting up and registering the company.	
<b>101.</b>	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.	
<b>102.</b>	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	
<b>103.</b>	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.	
<b>104.</b>	<ul style="list-style-type: none"> <li>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</li> <li>ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</li> </ul>	
<b>105.</b>	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	Retirement and Rotation of Directors
<b>106.</b>	The remaining Directors shall be appointed in accordance with the provisions of the Act.	
<b>107.</b>	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.	

<b>108.</b>	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	
<b>109.</b>	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
<b>110.</b>	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	
<b>111.</b>	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as “the Corporation”) continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.	Nominee Director
<b>112.</b>	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	
<b>113.</b>	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	
<b>114.</b>	The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.  Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the	

	Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.	
<b>115</b>	Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.	
<b>116.</b>	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.	
<b>117.</b>	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	
<b>118.</b>	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	
<b>119</b>	<p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <ol style="list-style-type: none"> <li>in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</li> <li>send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</li> </ol> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	Removal of Director
<b>120.</b>	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.	
<b>121</b>	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
<b>122.</b>	If the vacancy is not filled under clause (5) above, it may be filled as a casual vacancy in accordance with the provisions of this Act: Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.	
<b>123.</b>	<p>Nothing in this section shall be taken-</p> <ol style="list-style-type: none"> <li>as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or</li> <li>as derogating from any power to remove a director under other provisions of this Act.</li> </ol>	

<b>124.</b>	<p>Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.</p> <p>In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.</p> <ol style="list-style-type: none"> <li>a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or</li> <li>b. In connection with the business of the Company.</li> </ol>	Remuneration and sitting fees to Directors including Managing and whole time Directors
<b>125</b>	<p>Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/-(Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 &amp; 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.</p>	
<b>126.</b>	<ol style="list-style-type: none"> <li>i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board. <ol style="list-style-type: none"> <li>a. The power to make calls on shareholders in respect of money unpaid on their shares;</li> <li>b. The Power to authorize buy-back of securities under Section 68 of the Act.</li> <li>c. Power to issue securities, including debenture, whether in or outside India</li> <li>d. The power to borrow moneys</li> <li>e. The power to invest the funds of the Company,</li> <li>f. Power to Grant loans or give guarantee or provide security in respect of loans</li> <li>g. Power to approve financial statements and the Board's Report</li> <li>h. Power to diversify the business of the Company</li> <li>i. Power to approve amalgamation, merger or reconstruction</li> <li>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</li> <li>k. Powers to make political contributions;</li> <li>l. Powers to appoint or remove key managerial personnel (KMP);</li> <li>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</li> <li>n. Powers to appoint internal auditors and secretarial auditor;</li> <li>o. Powers to take note of the disclosure of director's interest and shareholding;</li> <li>p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;</li> <li>q. Powers to invite or accept or renew public deposits and related matters;</li> <li>r. Powers to review or change the terms and conditions of public deposit;</li> </ol> </li> </ol>	<b>Powers and duties of Directors:</b>  <b>Certain powers to be exercised by the Board only at meeting</b>

	<p>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>	
127.	<p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting:</p> <p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p>	<b>Restriction on powers of Board</b>

	<p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	
<b>128.</b>	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.	
<b>129.</b>	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.	General powers of the Company vested in Directors
<b>130.</b>	<p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <p>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</p> <p>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</p> <p>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the</p>	Specific Power given to Directors



	<p>Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</p> <p>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</p> <p>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</p> <p>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time</p>	
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	<p>for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The</p>	
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	<p>provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
<b>131.</b>	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	<b>MANAGING DIRECTORS</b>  Power to appoint Managing or Whole-time Directors
<b>132.</b>	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	Proceedings of the Board
<b>133.</b>	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	

<b>134.</b>	a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	
<b>135</b>	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.	
<b>136.</b>	The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	
<b>137.</b>	a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. b) 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.	
<b>138.</b>	a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. b) 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.	Delegation of Powers of Board to Committee
<b>139.</b>	a) A committee may elect a Chairperson of its meetings. b) 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.	
<b>140.</b>	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.	
<b>141.</b>	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.	
<b>142.</b>	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	
<b>143.</b>	Subject to the provisions of the Act— a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer
<b>144.</b>	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting	

	both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.	
<b>145.</b>	a) The Board shall provide for the safe custody of the seal. b) 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 Seal
<b>146.</b>	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	Dividends and Reserve
<b>147.</b>	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.	
<b>148.</b>	a) 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. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	
<b>149.</b>	a) 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. b) 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. c) 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.	
<b>150</b>	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.	
<b>151.</b>	a) 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. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	
<b>152.</b>	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.	

<b>153.</b>	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.	
<b>154.</b>	No dividend shall bear interest against the Company.  Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;	
<b>155.</b>	Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.  The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.	
<b>156.</b>	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
<b>157.</b>	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	
<b>158.</b>	a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors. b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.	Accounts
<b>159.</b>	Minutes Books of General Meetings a) The books containing the minutes of the proceedings of any general meeting of the Company shall; iv. be kept at the registered office of the Company, and v. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.  Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.  b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.	Inspection of Statutory Documents of the Company:

<b>160.</b>	<p>Register of charges:</p> <ol style="list-style-type: none"> <li>The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</li> <li>The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours— <ol style="list-style-type: none"> <li>by any member or creditor without any payment of fees; or</li> <li>by any other person on payment of such fees as may be prescribed,</li> </ol> </li> </ol> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	
<b>161.</b>	<ol style="list-style-type: none"> <li>The first Auditor of the Company shall be appointed by the Board of Directors within 30 days 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.</li> <li>Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</li> <li>The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</li> <li>The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</li> </ol>	Audit
<b>162.</b>	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <ol style="list-style-type: none"> <li>If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</li> <li>For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</li> <li>The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</li> </ol>	Winding up
<b>163.</b>	<p>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 Subject to the provisions of Chapter XX of the Act and rules made there under—</p>	Indemnity
<b>164.</b>	<p>(a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their</p>	Secrecy

	<p>knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> <p>(b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p>	
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## **SECTION XIV – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Agreement dated April 30, 2020 between our Company and Shreni Shares Private Limited as Lead Manager to the Issue.
2. Agreement dated April 29, 2020 executed between our Company and the Registrar to the Issue (Bigshare Services Private Limited)
3. Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
4. Banker to the Issue Agreement dated [●] among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated [●] between our Company, Lead Manager and Underwriters.
6. Tripartite Agreement dated [●] among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated [●] among NDSL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated July 17, 2014 issued by the Registrar of Companies, Delhi.
3. Fresh Certificate of Incorporation dated October 14, 2014 issued by the Registrar of Companies, Delhi consequent upon Change in Name of Company.
4. Fresh Certificate of Incorporation dated April 28, 2020 issued by the Registrar of Companies, Delhi consequent upon Conversion of the Company to Public Company.
5. Copy of the Board Resolution dated April 28, 2020 authorizing the Issue and other related matters.
6. Copy of Shareholder's Resolution dated April 29, 2020 authorizing the Issue and other related matters.
7. Copies of Audited Financial Statements of our Company for the years ended March 31, 2020, 2019, & 2018.
8. Peer Review Auditors Report dated April 30, 2020 on Restated Financial Statements of our Company for the years ended March 31, 2020, 2019, & 2018.
9. Copy of the Statement of Tax Benefits dated April 30, 2020 from the Statutory Auditor.
10. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to our Company, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, as referred to, in their respective capacities.
11. Due Diligence Certificate from Lead Manager dated April 30, 2020 filed with NSE and dated [●] filed with SEBI.
12. Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the SME Platform of the NSE.

### **DECLARATION**

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Prospectus are true and correct.

#### **SIGNED BY THE DIRECTOR OF OUR COMPANY:**

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**Mr. Ratan Kumar Srivastava**  
*Chairman and Managing Director*  
DIN: 05329338

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**Mr. Hemant Kumar**  
*Non-Executive Independent Director*  
DIN: 07536741

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**Mrs. Deepali Verma**  
*Whole Time Director*  
DIN: 05329336

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**Mr. Veer Pratap Singh**  
*Non-Executive Independent Director*  
DIN: 08736631

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**Mr. Arpit Goyal**  
*Non-Executive Independent Director*  
DIN: 08273225

#### **SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY: -**

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**Mrs. Deepali Verma**  
*Chief Financial Officer*

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**Mr. Dipanshu**  
*Company Secretary and Compliance Officer*

**Date – April 30, 2020**  
**Place – New Delhi**