



KAPSTON FACILITIES MANAGEMENT LIMITED

Our Company was originally incorporated on January 31, 2009 as a private limited company under the Companies Act, 1956 in the state of Andhra Pradesh as "Kapston Facilities Management Private Limited" vide Certificate of Incorporation issued by the Registrar of Companies, Andhra Pradesh. Subsequently, the shareholders of our Company vide special resolution passed at the extra-ordinary general meeting held on January 11, 2018, approved the conversion of our company from Private Limited to Public Limited and the fresh Certificate of Incorporation consequent upon conversion of Company was issued to Kapston Facilities Management Limited on January 29, 2018 by the Registrar of Companies, Hyderabad. The Corporate Identification Number (CIN) of our Company is U15400TG2009PLC062658. For details of incorporation, change of name and change in Registered Office of our Company, please refer the chapters titled "General Information" and "History and Certain Corporate Matters" beginning on page no. 49 and 129 respectively of this Draft Prospectus.

Registered Office: Plot No. 287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad- 500072, Telangana

Corporate Office: #1-98/9/3/23 Plot No. 12E, Jai hind Colony, Madhapur, Hyderabad – 500081, Telangana

Tel No.: +91 9877824142; **Email:** cs@kapstonfm.com; **Website:** www.kapstonfm.com

Contact Person: Ms. Amreen Gulnaaz, Company Secretary and Compliance Officer.

Our Promoters: Mr. Srikanth Kodali & Mr. Radha Krishna Pinnamaneni

THE OFFER

INITIAL PUBLIC OFFER OF 23,04,000 EQUITY SHARES OF ₹ 10/- EACH ("EQUITY SHARES") OF KAPSTON FACILITIES MANAGEMENT LIMITED ("KFML" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ 92 PER SHARE (INCLUDING A SHARE PREMIUM OF ₹ 82 PER EQUITY SHARE) ("OFFER PRICE"), AGGREGATING TO ₹ 2119.68 LAKHS ("THE OFFER") CONSISTING OF A FRESH ISSUE OF 11,52,000 EQUITY SHARES AGGREGATING TO ₹ 1059.84 LAKHS ("FRESH ISSUE") AND AN OFFER FOR SALE OF 11,52,000 EQUITY SHARES, INCLUDING 10,50,070 EQUITY SHARES BY MR. SRIKANTH KODALI AND UPTO 1,01,930 EQUITY SHARES BY MR. RADHA KRISHNA PINNAMANENI ("THE PROMOTER SELLING SHAREHOLDERS") AGGREGATING TO ₹ 1059.84 LAKHS ("OFFER FOR SALE"), OF WHICH 1,17,600 EQUITY SHARES OF ₹ 10/- EACH AT A PRICE OF ₹ 92 PER EQUITY SHARE AGGREGATING TO ₹ 108.19 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE OFFER ("THE MARKET MAKER RESERVATION PORTION"). THE OFFER LESS MARKET MAKER RESERVATION PORTION I.E. NET OFFER OF 21,86,400 EQUITY SHARES OF ₹ 10/- EACH (THE "NET OFFER"). THE OFFER AND THE NET OFFER WILL CONSTITUTE 26.50% AND 25.15%, RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE OFFER PRICE IS 9.2 TIMES OF THE FACE VALUE

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

For further details see "Offer Related Information" beginning on page no. 221 of this Draft Prospectus.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the offer only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Offer Procedure" on page no. 232 of this Draft Prospectus. A copy of the Prospectus will be delivered for registration to the Registrar of Companies as required under Section 26 and 28 of the Companies Act, 2013.

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of the Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Offer Price is 9.2 times the face value. The Offer Price (determined and justified by our Company in consultation with the Lead Manager as stated under "Basis for Offer Price" beginning on page no. 77 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer 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 the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page no. 17 of this Draft Prospectus.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, 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. Each Selling Shareholder, severally and not jointly, assumes responsibility only for statements in relation to such Selling Shareholder included in this Draft Prospectus.

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on Emerge Platform of National Stock Exchange of India Limited. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. Our Company has received an In-Principle Approval letter dated [●] from NSE EMERGE for using its name in the Offer Document for listing of our shares on the Emerge Platform of National Stock Exchange of India Limited ("SME Platform of NSE"). For the purpose of this Offer, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

LEAD MANAGER TO THE OFFER



CKP FINANCIAL SERVICES PRIVATE LIMITED

906, Jay Antariksh 13/14, Makawana Road, Marol Naka, Andheri (East), Mumbai – 400 059, India
Tel No.: +91 9322997964/ 022-65014100

Email: info@ckpfinancialservices.com

Investor Grievance Email: investors@ckpfinancialservices.com

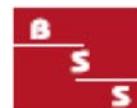
Contact Person: Mr. Brijesh Parekh / Ms. Janvi Talajia

Website: www.ckpfinancialservices.com

SEBI Registration No. INM000012449

CIN: U74120MH2015PTC270984

REGISTRAR TO THE OFFER



BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai, Maharashtra 400059
Tel: 022 – 6263 8200; Fax: 022 – 6263 8299;

Email: ipo@bigshareonline.com;

Investor Grievance Email: investor@bigshareonline.com;

Contact Person: Mr. Babu Rapheal

Website: www.bigshareonline.com

SEBI Registration No.: INR000001385

CIN: U99999MH1994PTC076534

OFFER OPENS ON

[●]

OFFER CLOSES ON

[●]

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (“U.S. 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), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S. 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.

SECTION I: GENERAL DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviation which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto.

As on date of this Draft Prospectus, our Company does not have any subsidiaries. Consequently, all references to "our Company", "the Issuer", "we", "our", "us" or "Kapston Facilities Management Limited" is to Kapston Facilities Management Limited, a company incorporated under the previous Companies Act, 1956 and having its Registered Office at Plot No.287, MIG-2, IX Phase KPHB, Kukatpally, Hyderabad 500072, India.

The words and expression used in this Draft Prospectus, but not defined herein, shall have the same meaning ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder as the case may be. Notwithstanding the foregoing, the terms not defined but used in the sections titled "Statement of Special Tax Benefits"; "Financial Information"; "Outstanding Litigation and Material Developments"; and "Main Provisions of Articles of Association" beginning on pages 79, 156, 201 and 275 respectively, shall have the meanings ascribed to such terms in these respective sections.

Company and Selling Shareholder related terms

Term	Description
Articles/ Articles of Association/ AOA	The articles of association of our Company, as amended
Audit Committee	Audit committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013
Auditor/ Statutory Auditors	Statutory Auditors of our Company being, M/s. NSVR and Associates LLP, Chartered Accountants.
Board of Directors/ our Board	The board of directors of our Company, as duly constituted from time to time
Corporate Office	#1-98/9/3/23 Plot No. 12E, Jai hind Colony, Madhapur, Hyderabad – 500081
Director(s)	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled "Our Management" beginning on page 134 of this Draft Prospectus.
Equity Listing Agreement/ Listing Agreement	The equity listing agreement to be entered into by our Company with the Stock exchange.
Equity Shares	The equity shares of our Company of face value of ₹10 each
Group Companies/ Entities	The companies included under the definition of "Group Companies" under the SEBI (ICDR) Regulations and other entities as identified by the Company in its Materiality Policy. For further details, please refer to section titled "Our Group Companies" beginning on page 153 of this Draft Prospectus.
Key Managerial Personnel/ KMP	The key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act disclosed in section titled "Our Management" beginning on page 134 of this Draft Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on February 22, 2018 in accordance with the requirements of the SEBI (ICDR) Regulations.
Memorandum/ Memorandum of Association/ MOA	The memorandum of association of our Company, as amended
Nomination and	Nomination and remuneration committee of our Company constituted in

Remuneration Committee	accordance with Regulation 18 of the SEBI Listing Regulations and Companies Act, 2013
Peer Reviewed Auditor	Peer Reviewed Auditor of our Company being, M/s. NSVR and Associates LLP, Chartered Accountants
Promoters	The promoters of our Company, being, Mr. Srikanth Kodali and Mr. Radha Krishna Pinnamaneni. For further details, please refer to section titled "Our Promoters and Promoter Group" beginning on page 150 of this Draft Prospectus.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as disclosed under section titled "Our Promoters and Promoter Group" beginning on page 150 of this Draft Prospectus.
Registered Office	The registered office of our Company located at Plot No.287, MIG-2, IX Phase KPHB, Kukatpally Hyderabad 500072, India.
ROC/ Registrar of Companies	The Registrar of Companies, Hyderabad situated at 2 nd Floor, Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad, Telangana 500 068, India.
Promoter Selling Shareholders/ Selling Shareholders	Mr. Srikanth Kodali Mr. Radha Krishna Pinnamaneni
Restated Financial Information	The restated financial information of our Company which comprises of the restated standalone balance sheet, the restated standalone profit and loss and the restated standalone cash flow information for 9 months period ended December 31, 2017 and financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations.
Stakeholders' Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Companies Act, 2013
Subsidiary of our Company	Our Company does not have any subsidiary as on the date of this Draft Prospectus.

Issue related terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidder/ investors
Allottee(s)	Successful Bidder/ investors(s) to whom Equity Shares have been allotted/transferred.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidder/ investors who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of the Prospectus
Application Form/ Bid cum Application Form	The Form in terms of which the bidder/ applicant shall apply for the Equity Shares of the Company

Term	Description
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidder/ investors, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
Application Supported by Blocked Amount Form/ASBA Form	An application, whether physical or electronic, used by an Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all category of investors (except Anchor Investors) participating in the Offer.
ASBA Account	Account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company.
Banker(s) to the offer/ Public Issue Bank	The banks which are clearing members and registered with SEBI as Banker to an offer with whom the Public Issue Account will be opened and in this case being [●]
Banker to the Issue Agreement/ Public Issue Bank Agreement	Agreement to be entered into among the Issuer, the Selling Shareholders, the Registrar to the Offer, the Lead Manager(s), the Syndicate Member(s), the Public Issue Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidder/ investors under the Issue and which is described under section titled "Offer Procedure" beginning on page 233 of this Draft Prospectus.
Lead Manager/ or LM	The LM to the Issue being CKP Financial Services Private Limited.
Broker Centres	Broker centres notified by the Stock exchange, where the Bidder/ investors can submit the Bid-cum-Application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of NSE India Limited.
Business Day	Monday to Saturday (except last Saturday of the month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or 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 Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Offer and the Stock exchange and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Depositories	Depositories 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
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by Applicants (<i>excluding Anchor Investor</i>) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html

Term	Description
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange (www.nseindia.com)
Designated Date	The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus following which the Board of Directors may Allot Equity Shares to successful Applicants in the Fresh Issue and the Selling Shareholder may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Applicants, in relation to the offer.
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time.
Designated Stock Exchange	The National Stock Exchange of India Limited
Designated CDP Locations	Such centres of the CDPs where Applicants can submit the Application Forms. 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 website of the Stock Exchange (www.nseindia.com) and updated from time to time.
Draft Prospectus/ DP	This Draft Prospectus dated March 5, 2018 issued in accordance with the SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the offer.
Employees	Employees of an Offer as defined under SEBI (ICDR) Regulations and including, in case of a new company, persons in the permanent and full-time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Applicant may refer to the Draft Prospectus.
Equity Shares	Equity Shares of the offer
FCNR Account	Foreign Currency Non-Resident Account
First/sole Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India.
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI (ICDR) Regulations, in terms of which the offer is being made.
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
Issue	The initial public offer of upto 23,04,000 Equity Shares of face value of ₹10 each for cash at a price of ₹92 each, aggregating up to ₹2119.68 lakhs comprising the Fresh Issue of 11,52,000 Equity Shares of face value ₹10 each for cash at a price of ₹92 each, aggregating up to ₹1059.84 lakhs and Offer for sale of 10,50,070 Equity Shares by Mr. Srikanth Kodali and 1,01,930 Equity Shares by Mr. Radha Krishna Pinnamaneni collectively aggregating up to ₹1059.84 Lakhs.

Term	Description
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allotees	The maximum number of RIIs who can be Allotted the minimum Lot size. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Lot size.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the DP/RHP/Prospectus and Application Form
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the offer and in relation to whom the DP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Application for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DP/ Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale/ OFS	The offer for sale of upto 11,52,000 Equity Shares aggregating up to ₹ 1,059.84 Lakhs by the Selling Shareholders at the Offer Price in terms of the Draft Prospectus. For further details in relation to Selling Shareholders, see "The Offer" on page 48 of this Draft Prospectus.
Offer Opening date	The date on which the Offer opens for subscription being [●]
Offer Closing date	The date on which the Offer closes for subscription being [●]
Offer Price	The price at which the Equity Shares are being offered by our Company and the Promoter Selling Shareholders in consultation with the Lead Manager, under this Draft Prospectus being ₹ 92.
Other Investors	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidder/ investors other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price. The Offer Price may be decided by the Issuer in consultation with the LM.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Prospectus	The Prospectus to be filed with the ROC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI (ICDR) Regulations

Term	Description
	containing, inter alia, the Issue Price, the size of the Issue and certain other information
Public offer Account	Account opened with the Banker to the Issue i.e. [●] under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the Applicants on the Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount (excluding refund to Applicants) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the offer at which the Refund Account will be opened, in this case being [●]
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
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
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock exchange, through which investors can buy or sell securities listed on stock exchange, a list of which is available on http://www.nseindia.com/membership/dynaContent/find_a_broker.htm
Registrar /Registrar to the Offer	Registrar to the Offer, in this case being Bigshare Services Private Limited having registered office at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,Makwana Road, Marol, Andheri East, Mumbai 400059, Maharashtra., India.
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidder/ investors, to modify the quantity of the Equity Shares or the offer Amount in any of their Application Forms or any previous Revision Form(s)
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations.
SCSB/ Self Certified Syndicate Banker	shall mean a Banker to the offer registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised_Intermediaries or at such other website as may be prescribed by SEBI from time to time
Share Escrow Agreement	The Agreement to be entered into among the Selling Shareholder, our Company, LM and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allotees
Share Escrow Agent Specified Locations	Escrow agent appointed pursuant to the Share Escrow Agreement, namely [●] Collection centres where the Syndicate shall accept Application Forms from Applicants, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Stock Exchange / SE	The stock exchange as disclosed in the DP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the offer are proposed to be listed. In this case being EMERGE Platform of NSE (The National Stock Exchange Limited)
Underwriters	CKP Financial Services Private Limited

Term	Description
Underwriting Agreement	The agreement dated [●] entered into between the Underwriters, Selling Shareholders and our Company
Working Day	shall be all trading days of Stock Exchange, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

Technical/Industry Related Terms/Abbreviations

Term	Description
APO	Auxiliary police officer
ATM	Automated Teller Machine
CSO	Central Statistics Office's
CCTV	Closed Circuit Television
D2H	Direct to home
E2E	Exchange to Exchange
HVAC	Heating, ventilation, and air conditioning
FDI	Foreign Direct Investment
GOI	Government of India
GDP	Gross Domestic Product
GST	Goods & Service Tax
IFMS	Integrated Facilities Management Services
IOT	Internet of things
MORD	Ministry of Rural Development
NSDC	National Skill Development of India
PPP	Public private partnership
PSIC	Private Security Industry Conclave
PSARA	Private Security Agencies (Regulations) Act
PSA	Private Security agency
PMSCs	Private military and security companies
PSIRA	Private Security Industry Regulations Act
QCTO	Quality Council for Trades and Occupations
SAAS	Security as e Service
SSSDC	Security sector Skills development council
SAQA	South African Qualifications Authority
SASSETA	Safety and Security Sector Education and Training Authority
USAID	United States Agency for International Development

Conventional and General Terms

Term	Description
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Category I foreign portfolio investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations
Category II foreign portfolio investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations
Category III foreign portfolio investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations
Client ID	The client identification number maintained with one of the Depositories in relation to demat account

Term	Description
Companies Act, 1956	Companies Act, 1956 (<i>without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013</i>) along with the relevant rules made thereunder
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications made thereunder.
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	Consolidated FDI Policy (Circular 1 of 2015) dated May 12, 2015 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CST Act	Central Sales Tax Act, 1956
Demographic Details	Details of the Bidder/ investors including the Bidder/ investor's address, name of the Bidder/ investor's father/ husband, investor status, occupation and bank account details
Depository	A depository registered with SEBI under the Depositories Act, 1996
Depository Participant/ DP	A depository participant registered with SEBI under the Depositories Act
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DP/ Depository Participant	A depository participant as defined under the Depositories Act
FCNR Account	Foreign currency non-resident account
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal/ Fiscal Year/ F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
IT Act	The Income Tax Act, 1961, as amended
IT Rules	The Income Tax Rules, 1962, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016
LLP Act	The Limited Liability Partnership Act, 2008
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Draft Prospectus.
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA
RBI Act	Reserve Bank of India Act, 1934
RoC	The Registrar of Companies, Hyderabad

Term	Description
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Listing Regulations / SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	U.S. Securities Act of 1933, as amended
State Government	The government of a state of the Union of India
Stock Exchange	The National Stock Exchange of India Limited
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(zn) of the SEBI (ICDR) Regulations

General terms/ Abbreviations

Term	Description
Rs. or ₹ or Rupees or INR	Indian Rupees
ACIT	Assistant Commissioner of Income Tax
AGM	Annual General Meeting
APEDA	Agricultural and Processed Food Products Export Development Authority
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment year
BPLR	Bank Prime Lending Rate
CAGR	Compounded annual growth rate
CARO	Companies (Auditor's Report) Order, 2003
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CSR	Corporate Social Responsibility
DCIT	Deputy Commissioner of Income Tax
DCST	Deputy Commissioner of Sales Tax
DIN	Director Identification Number
DP ID	Depository participant's identification
DTC	Direct Taxes Code

Term	Description
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
FDI	Foreign direct investment
FIPB	Foreign Investment Promotion Board
GAAR	General anti avoidance rules
GFSI	Global Food Safety Initiative
GIR	General index register
GoI/ Government	Government of India
GoM	Government of Hyderabad
GST	Goods and Services Tax Act
HNI	High Net worth Individual
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
IPC	Indian Penal Code, 1860
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
Ltd.	Limited
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
N.A.	Not Applicable
NAV	Net asset value being paid up equity share capital plus free reserves (<i>excluding reserves created out of revaluation</i>) less deferred expenditure not written off (<i>including miscellaneous expenses not written off</i>) and debit balance of profit and loss account, divided by number of issued Equity Shares.
NCR	National Capital Region
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
No.	Number
NoC	No objection certificate
NR	Non-resident
NSDL	National Securities Depository Limited.
NSE EMERGE	EMERGE Platform of NSE Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price earnings ratio
PAN	Permanent account number allotted under the Income Tax Act, 1961
PAT	Profit after tax
PBT	Profit before tax
PCB	Pollution Control Board
Pvt.	Private
RBI	Reserve Bank of India
RoC	Registrar of Companies
RONW	Return on net worth
RTGS	Real Time Gross Settlement
STT	Securities Transaction Tax
UIN	Unique identification number
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
YoY	Year on Year

CURRENCY CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" in this Draft Prospectus are to the Republic of India, all references to the "U.S.", the "USA" or the "United States" are to the United States of America, together with its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

Financial Data

Unless stated otherwise, financial data included in this Draft Prospectus is derived from the Restated Financial Information, prepared in accordance with the Companies Act and restated in accordance with SEBI (ICDR) Regulations.

In this Draft Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Draft Prospectus.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year. The Restated Financial Information for 9 months period ended December 31, 2017 and for Financial Years ended March 31, 2017; March 31, 2016; March 31, 2015; March 31, 2014; and March 31, 2013 are included in this Draft Prospectus.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act, the SEBI Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Prospectus, including in sections titled "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 17; 99; and 188 respectively, have been calculated on the basis of the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations.

In this Draft Prospectus, all figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places.

Currency and Units of Presentation

All references to:

"Rupees", "Rs.", "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India.

Our Company has presented certain numerical information in this Draft Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

Exchange Rates

This Draft Prospectus does contain conversion of any other currency amounts into Indian Rupees.

Industry and Market Data

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

Although we believe that industry data used in this Draft Prospectus is reliable, it has not been independently verified by the Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section "Risk Factors" on page 17 of this Draft Prospectus. Accordingly, investment decisions should not be based solely on such information.

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

Although, we believe that the industry and market data used in this Draft Prospectus is reliable, neither we nor the LM nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

In accordance with the SEBI (ICDR) Regulations, we have included in the section titled "Basis for Issue Price" beginning on page 76 of this Draft Prospectus, information pertaining to the peer group companies of our Company. Such information has been derived from publicly available data of the peer group companies.

FORWARD LOOKING STATEMENTS

This Draft Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that 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.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

These forward-looking statements and any other projections contained in this Draft Prospectus (*whether made by us or any third party*) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements to be materially different than those contemplated by the relevant forward-looking statements.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. Our ability to compete effectively;
2. Our Company's inability to meet its substantial working capital requirements or maintain its existing credit facilities;
3. Our Company's inability to meet the consistent requirements of its clients or a change in customer preferences;
4. Competition in the industry that we operate;
5. Regulatory changes pertaining to the industries in India in which our Company has its businesses and our ability to respond to them;
6. General economic and political conditions in India and globally, which have an impact on our business activities

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to section titled "Risk Factors"; "Our Business"; and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 17; 99; and 188 respectively of this 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. The forward-looking statements contained in this Draft Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although, we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Our Company, Selling Shareholders, the LM, the Syndicate Members or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the LM will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being offered in this Issue, by the Stock Exchange. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Draft Prospectus, the Prospectus until the Equity Shares are allotted to the investors. Further, in accordance with Regulation 51A of the SEBI (ICDR) Regulations, our Company may be required to undertake an annual updation of the disclosures made in the Draft Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

Any investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with section titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 99 and 188 respectively, as well as the other financial and statistical information contained in this Draft Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. 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.

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 mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this offering 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 the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act 2013 and SEBI (ICDR) Regulations. The risk factors have been determined on the basis of their materiality. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future.

Internal Risk Factors

1. We are involved in certain legal proceedings, which, if determined adversely, may affect our business and financial condition.

As on the date of filing this Draft Prospectus, there are outstanding legal proceedings initiated by and against our Company that are pending before various courts, tribunals and other appellate authorities.

A summary of material outstanding legal proceedings involving our Company are provided below:

Nature of cases	No. of cases	Total amount involved (Amount ₹ in Lakhs)
Against our Company		
Civil	-	-
Actions taken by statutory/ regulatory authorities	-	-
Tax	2	17.83
Criminal		
By our Company		
Civil	1	2.22

Nature of cases	No. of cases	Total amount involved (Amount ₹ in Lakhs)
Actions taken by statutory/ regulatory authorities	-	-
Tax	-	-
Criminal	-	-

There are no outstanding Civil Actions relating to statutory/regulatory authorities, Tax Criminal cases by and against our Promoters and Directors.

Decisions in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 201 of this Draft Prospectus.

2. Our businesses are manpower intensive and our inability to attract and retain skilled manpower could have an adverse impact on our growth, business and financial condition.

Our security services and facility management businesses are manpower intensive and we hire a considerable number of personnel every year to sustain our growth. For instance, our total number of employees grew to 6394, 5626 and 4657 for nine months period ended December 2017 and Fiscal Years 2017 and 2016, respectively. We cannot assure you that we will be able to meet our manpower requirements in the future or grow the number of our employees in a consistent manner, which may adversely impact our growth and business.

Further, we spend significant time and resources in training the manpower we recruit, through our training centres. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. However, due to personnel continuing with other service providers and the challenging nature of the job, there is relatively higher rate of attrition in the industries in which we operate and the security services industry specifically. Higher attrition rates lead to an increase in our training and recruitment costs, which may have an adverse impact on our profitability and financial condition. High attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for us to meet our future growth requirements. There can be no assurance that skilled manpower will continue to be available in sufficient numbers and at wages suitable to our requirements.

3. Operational risks are inherent in our business as it includes rendering services in challenging environments. A failure to manage such risks could have an adverse impact on our business, results of operations and financial condition.

Certain operational risks are inherent in our businesses due to the nature of the industry in which we operate. We render security and facility management services, including security services, at mega events in a number of challenging environments to corporate sectors, industrial sectors, educational institutes, constructions and infrastructure sectors, hotels, hospitals, media, publications and studios, commercial & rental industries. Our employees deliver security, surveillance, monitoring and crisis response services in these environments, which involve physical inspection and interaction such as searching of personal possessions and frisking employees of our customers and members of the public. Further, we provide pest and termite control solutions as well as cleaning and housekeeping services which involve the handling of chemicals such as insecticides and cleaning solutions, which if handled improperly may have an adverse impact on the health of our employees, customers and on the environment. Consequently, our business is associated with numerous safety, privacy and public health concerns. We may be subject to substantial liabilities if we fail to satisfy applicable safety, privacy or health standards or cause harm to individuals or entities in the course of rendering our services.

While we believe that we have in place adequate corporate, crisis response, training and management policies and protocols, a failure to adequately address and manage risks inherent in our business, or a failure to meet the operational requirements of our customers, or a failure to develop effective risk

mitigation measures, or respond adequately to a crisis situation, could have an adverse effect on our reputation, customer retention, earnings and profitability and consequently, our business, results of operations and financial condition may also be adversely impacted.

4. We have a large workforce deployed across workplaces and customer premises, consequently we may be exposed to service related claims and losses or employee disruptions, employee related regulatory risks and any significant disputes with our employees and/or concerned regulators. This could have an adverse effect on our reputation, business, results of operations and financial condition.

We have a large workforce deployed across India. As of December 31, 2017, we employ around 6394 employees including apprentices and trainees of which 6165 'billable' personnel were rendering security and facility management services and 229 'non- billable' personnel. Consequently, our ability to control the workplace environment in such circumstances is limited. The risks associated with the deployment of our employees include possible claims relating to:

- actions or inactions of our employees, including matters for which we may have to indemnify our customers;
- failure of our employees to adequately perform their duties including rendering deficient services, shortage in shift, absenteeism or lateness;
- violation by employees of security, privacy, health and safety regulations;
- any failure by us to adequately verify employee and personnel backgrounds and qualifications resulting in deficient services;
- employee errors, malicious acts by existing or former employees;
- damage to the customer's facilities or property due to negligence of our employees; and
- criminal acts, torts or other negligent acts by our employees.

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and adversely impact our reputation and brand name. We may also be affected in our operations by the acts of third parties, including subcontractors and service providers.

Additionally, we are subject to labour legislations that protect the interests of workers, including legislations that set forth detailed procedures for the establishment of unions, dispute resolution and employee removal. Our employees are not currently unionized. However, there can be no assurance that our employees will not unionize in the future. In the event our employee relationships deteriorate or we experience significant labour unrest, strikes, lockouts and other labour action, work stoppages could occur and there could be an adverse impact on our delivery of services to customers. Our business and profitability may also be affected if any union contracts or collective bargaining agreements we may have to enter into restrict our ability in using employees across different service types. There can be no assurance that the corporate policies we have in place to help reduce our exposure to these risks will be effective or that we will not experience losses as a result of these risks. Any losses that we incur in this regard could have an adverse effect on our reputation, business, results of operations and financial condition.

Inherent risks involved in managing such a large workforce includes possible discrimination and harassment claims for physical or sexual abuse, and other acts allegedly committed by our employees or agents, wrongful termination, violation of employment rights and minimum wage requirements, criminal activity or any other claims. Since our business success depends on our reputation, adverse publicity could impact the demand for our services. Adverse publicity concerning reported incidents or allegations of physical or sexual abuse or other harm, whether or not directly relating to or involving us, could result in termination of existing corporate relationships or inability to attract new corporate relationships, or increased insurance costs, all of which could adversely affect our operations. Our reputation can be severely damaged even by isolated incidents, particularly if the incidents receive considerable adverse publicity or result in substantial litigation.

We face the risk that lawsuits may be filed which could result in damages and other costs that our insurance may be inadequate to cover. In addition to diverting our management resources, such allegations may result in adverse publicity that may materially and adversely affect us and our reputation, regardless of whether such allegations are valid. Any such claim or the adverse publicity resulting from it may have a material adverse effect on our business, reputation, results of operations and financial condition including, without limitation, adverse effects caused by increased cost or decreased availability of insurance and decreased demand for our services from our clients. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

5. We are subject to several labour legislations and regulations governing welfare, benefits and training of our employees. Any increase in wage and training costs could adversely affect our business, financial condition and cash flows.

We are subject to laws and regulations relating to employee welfare and benefits such as minimum wage and maximum working hours, overtime, working conditions, non-discrimination, hiring and termination of employees, employee compensation, employee insurance, bonus, gratuity, provident fund, pension, superannuation, leave benefits and other such employee benefits. Employee benefit expenses constituted the largest component of our total expenses, i.e. ₹ 6,701.48 Lakhs, ₹ 7666.05 Lakhs, ₹ 5845.94 Lakhs and ₹ 4821.76 Lakhs or 84.71%, 85.92%, 81.75% and 85.96% of our total expenses for the 9 months period ended December 31, 2017 and Fiscal Years 2017, 2016 and 2015, respectively. In the event the welfare requirements under labour regulations applicable to us are changed, which leads to an increase in employee benefits payable by us, there can be no assurance that we will be able to recover such increased amounts from our customers in a timely manner, or at all.

In addition, we rely on being able to recruit, train and retain high quality and qualified employees in India. We are required to comply with PSARA and other applicable state laws in India, which prescribe eligibility requirements for employing security personnel, such as minimum age requirements and standards of physical fitness. Any regulatory change in such minimum levels, including in respect of educational qualifications and training or additional license requirements for employees in certain positions such as security guards, supervisors, armed guards, firemen or business service personnel, may limit our ability to recruit new employees or replace leaving employees effectively, thereby impacting our ability to expand our business. If we fail to impart requisite training or do not comply with certain labour welfare legislations, we may be exposed to fines and we may also face the risk of our licenses under applicable legislations being cancelled or suspended. Employers must also satisfy occupational health and safety obligations under federal and state legislation. For further details on the labour laws and regulations applicable to us, please refer to “Key Industry Regulations and Policies” on page 122.

Further, regulatory agencies in different states and courts in India may interpret compliance requirements differently, which may make compliance with laws and regulations more complex, time consuming and costly. Additionally, if there is any failure by us to comply with applicable labour laws and regulations in relation to employee welfare and benefits, we may be subject to criminal and monetary penalties, incur increased costs, have our labour or PSARA Approvals revoked and suffer a disruption in our operations. There can be no assurance that in future we may not face cases alleging violation of labour laws. Any failure to comply with applicable labour legislation may result in orders that may materially and adversely impact our operations and may also result in reputational loss.

6. Our Company has loans that may be recalled by our lenders at any time.

Our Company availed loans from various banks and financial institutions which are outstanding and may be recalled by them at any time. The outstanding amount of the unsecured loans from banks and financial institutions as at December 31, 2017 amount to ₹540.14 lakhs and secured loan amounts to ₹771.92 Lakhs is payable on demand. In the event these or any of them seeks a repayment of such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to procure such financing, we may not have

adequate working capital to undertake new projects or complete our ongoing projects. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, please refer to section titled "Financial Indebtedness" beginning on page 198 of this Draft Prospectus.

7. We derive a significant portion of our total revenue from our security services business. Any decrease in the demand for our security services may have an adverse impact on our business, financial condition and result of operations.

Our security services business in India contributed a significant portion of our total revenue from operations, which was ₹ 4,949.38 Lakhs, ₹ 5990.03 Lakhs, ₹ 4922.03 Lakhs and ₹ 4237.69 Lakhs or 61.30%, 66.09%, 70.04% and 73.88% of our total revenues from operations for 9 month period ended December 31, 2017 and Fiscal Years 2017, 2016 and 2015, respectively. We are exposed to the risk of reduction in the demand for our security services due to a potential shift away from physical security towards less labour intensive electronic security, alarms, video surveillance and other technology based systems. In addition, we may face increased competition from unorganized sector players due to cost-sensitivity of certain customers or the location or nature of service demanded. Although, our strategy is to actively grow our other lines of business, including our facility management, electronic security businesses, our security services business will continue to constitute a significant portion of our revenues and operating profits and any decline in, or adverse impact on, our security services business may have an adverse impact on our business, financial condition and results of operations.

8. The nature of our operations exposes us to additional public scrutiny, consequently, any accidents or incidents, which may occur, may be reported widely, adversely affecting our reputation.

We render security services at locations frequented by the general public, which include hospitals, hotels, educational institutions and large public events, and as a result we are subject to additional public scrutiny and media attention. Any incidents or accidents that may occur, or allegations that may be made, which directly or indirectly relate to the actions of our employees, may attract the interest of the media, stakeholders and members of the public and generate adverse publicity. Such negative publicity may adversely affect our brand and reputation and consequently our business and financial condition.

9. Our customer agreements include certain restrictive covenants which may limit our ability to carry out our business operations. Certain of our customer agreements may be terminated, which could have an adverse impact on our business.

We enter into various agreements with our customers for rendering services, including master service agreements and corresponding service orders. Some of these agreements require us to comply with the code of conduct and rules and regulations prescribed by our customers. Our customers also have the right to terminate service contracts in the event we do not comply with their requirements or our services fail to meet the quality standards set out in our agreements.

In addition, certain of our customer contracts give our customers the right to terminate the contracts without cause with or without giving notice. Further, some of these agreements require us to provide indemnity to our customers, with respect of any negligent act, or omission by or our misconduct of our employees. In the event that there is an increase in the number of customers terminating our contracts without cause, or in case there is increase in claims against us, for which we are not insured and we are unable to secure new contracts to offset the loss of these contracts, our business, financial condition and results of operations may be adversely affected.

10. Our Company has experienced negative cash flows and any negative cash flows in the future could adversely affect our financial conditions and results of operations.

We have experienced negative cash flows in the past. Following are the details of our cash flow position during the last five (5) financial years and for the period ended December 31, 2017 based on Restated Financial Statements are set out below:

Particulars	For the 9 months period ended December 31, 2017	For the period ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Net Cash from/(used) in Operating Activities	225.49	565.76	(448.67)	490.68	23.66	73.62
Net Cash from/(used) in Investing Activities	(430.21)	(941.63)	(158.24)	(52.75)	(83.62)	(85.92)
Net Cash from/(used) Financing Activities	209.90	312.07	611.01	(29.56)	58.94	38.41

Cash flow of our Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For more information, regarding cash flows, please refer to section titled "*Statement of Cash Flow as Restated*" beginning on page 158 of this Draft Prospectus.

11. The average cost of acquisition of Equity Shares by our Promoters, is less than the Offer Price.

Our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Offer Price as decided by the Company and Selling Shareholders in consultation with the LM. For further details regarding average cost of acquisition of Equity Shares by our Promoters and build-up of Equity Shares of our Promoters, please refer to the chapter titled "Capital Structure" beginning on page 57 of this Draft Prospectus.

12. Our Company has during the preceding one year from the date of the Draft Prospectus have allotted Equity Shares at a price which is lower than the Offer Price.

Our Company has in the last 12 months (1 year), prior to the filing of this Draft Prospectus, allotted Equity Shares pursuant to bonus issue of shares to our Promoters and Promoter Group, which could be lower than the Offer Price. For details relating to number of shares issued, date of allotment etc. please refer to the section titled "Capital Structure" beginning on page 57 of this Draft Prospectus. The Offer Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

13. Majority percentage of the shareholding of the Company is pledged with our lender

Our Company has entered into an agreement with National Skill Development Corporation (NSDC), a semi government non profit organisation by way of which such Corporation provides funds at a considerably low rate of six (6) percent p.a., to the Company for training of a specified number of youth and providing them with recruitment and placement opportunities. For this purpose, NSDC mandates that at any time, fifty one (51%) percent of the equity share capital of the Company shall be pledged with NSDC as Security for the loan provided.

14. There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company.

There have been certain discrepancies in relation to statutory and corporate filings and records of our Company. We cannot assure you that we will not be subject to any penalty imposed by the competent regulatory authority in this respect or that we will not incur additional expenses arising from our inability to furnish correct particulars in respect of the RoC filings or other statutory and corporate records, or for misrepresentation of facts which may occur due to non-availability of documents.

15. A portion of the proceeds of the Offer will be utilized for pre-payment of unsecured loans availed by our Company from various financial institutions.

One of the Objects of the Offer is for pre-payment of unsecured loans aggregating to ₹ 200 lakhs availed by our Company from various Financial Institutions. The funds were utilised by our Company for working capital purposes and also for capital expenditure and the loan were disbursed in Financial Year 2018-19. For further details, please refer to section titled "Objects of the Offer" beginning on page 70 of this Draft Prospectus.

16. Our Company will not receive any proceeds from the Offer for Sale portion and objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

The Offer includes an offer for sale of up to 11,52,000 Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to Selling Shareholders and we will not receive any such proceeds. Our Company intends to primarily use the Net Proceeds of the Fresh Issue for repayment and prepayment of certain outstanding indebtedness, meeting working capital requirements and general corporate purposes, as described in "Objects of the Offer" on page 70. The plans are based on management estimates and such intended use of proceeds has not been appraised by any bank or financial institution. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Any variation in the Objects of the Fresh Issue would require shareholders' approval and may involve considerable time or may not be forthcoming and in such an eventuality it may adversely affect our operations or business.

Further, our Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders who dissent with our proposal to change the objects of the Offer, at a price and in the manner as specified in the Sections 13(8) and 27 of the Companies Act, 2013 and Chapter VI-A of the SEBI ICDR Regulations. Additionally, the requirement on Promoter or controlling shareholders to provide an exit opportunity to such dissenting shareholders may discourage the Promoter or our controlling shareholders from undertaking steps for the variation of the proposed utilisation of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoter or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity to the dissenting shareholders at the price specified in the SEBI ICDR Regulations. In light of these factors, we may not be able to undertake any variation in Objects of the Fresh Issue to use any unutilized proceeds of the Fresh Issue even if such variation is in our interest. This may restrict our ability to respond to any developments in our business or financial condition by re-deploying the unutilised portion of our Net Proceeds, if any, which may adversely affect our business and results of operations. Additionally, various risks and uncertainties, including those set forth in this section "Risk Factors", may limit or delay our Company's efforts to use the Net Proceeds to achieve profitable growth in its business.

17. We have a substantial amount of debt. If we fail to comply with the covenants in our financing agreements, some of our financing agreements may be terminated, which could adversely affect our business and financial condition.

We have incurred a substantial amount of debt including working capital credit facilities, presently outstanding at ₹ 2227.26 lakhs on December 31, 2017. As of December 31, 2017, our debt to equity ratio was 1:33. We have entered into agreements with certain banks and financial institutions for short term and long-term borrowings, which contain restrictive covenants. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Furthermore, our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities. For further details, please refer to section titled "Financial Indebtedness" beginning on page 198 of this Draft Prospectus.

Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, acceleration of all amounts due under such facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

18. The use of the proceeds of the Offer are based entirely on management estimates and flexibility. Pending such utilization, we may invest in interim investments which may result in financial loss.

The objects for which the funds are being raised in this Offer have not been appraised by any bank or financial institution. We may need to revise our expenditure and fund requirement which may not be within the control of our management. In the event of an increase in expenditure and fund requirement, we shall intend to try and meet these increased requirements through our internal accruals and additional debt/ equity arrangements. This may entail rescheduling or revising the plant expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose at the discretion of the board.

The fund requirement and deployment mentioned in the Objects of this Offer have not been appraised by any bank or financial institution. The funds raised from the Offer may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc. The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. Our Board of Directors will monitor the proceeds of this Offer. Accordingly, within the parameters as mentioned in the chapter titled "Objects of the Offer" beginning on page 70 of this Draft Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Offer.

19. Our insurance policies may not protect us against all potential losses, which could adversely affect our business and results of operations.

Legal proceedings or other actions may be initiated against us or any of our employees for acts and conduct of our employees, which occur at our customer's premises. In the event of personal injuries, damage or other accidents suffered by our employees or our customers or other people, we could face claims alleging that we were negligent, provided inadequate training or supervision or be otherwise liable for the injuries. Our principal types of insurance coverage include motor vehicle insurance, fire, burglary, money insurance, fixed glass and sanitary fittings, damage to electronic equipment and portable equipment and break down of office appliance and machinery, public liability insurance and allied perils insurance, plate glass insurance, professional indemnity and group personal accident policy. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from

time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. At present, the Company has not renewed a few policies and the same is in process. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further details on our insurance arrangements, see "Our Business" on page 99.

20. We may not be able to implement our business strategies or sustain and manage our growth, which may adversely affect our business, results of operations, financial condition and cash flows.

In recent years, we have experienced significant growth, with our total revenue having increased from ₹ 2800.12 lakhs for the Fiscal Year 2013 to ₹ 9362.58 Lakhs for the Fiscal Year 2017. As of December 31, 2017, we had 4 branches and 8 training centres in India and serviced more than 400 clients across India. Our growth strategy includes expanding our existing businesses in the Southern region of India. We cannot assure you that our growth strategies will be successful or that we will be able to continue to expand further or diversify our service offerings. Our ability to sustain and manage our growth depends significantly upon our ability to manage key issues such as selecting, recruiting, training and retaining personnel, locating and securing properties for our branches and offices, maintaining effective risk management policies, continuing to offer services which are relevant to our customers, maintaining and expanding our customer base, developing and maintaining technical infrastructure and systems, ensuring a high standard of customer service and maintaining our current level of profitability. Failure to do any of the preceding may result in slower growth, loss of business, erosion of customer service quality, diversion of management resources, significant costs and increase in employee attrition rates, any of which could adversely affect our business, results of operations, financial condition and cash flows.

21. Non-compliance with and changes in, security services related, safety, health and other applicable regulations, may adversely affect our business, reputation, results of operations and financial condition.

We are subject to several laws and government rules and regulations, including in relation to rendering security services, safety and health. These regulations impose controls on the manner of carrying out our operations. For instance, the PSARA prescribes eligibility and preference requirements in the recruitment of our personnel, requires us to impart prescribed training and skills to our security personnel, ensure compliance with certain labour welfare laws, maintain registers containing details of our employees and customers, employ a certain number of supervisory personnel and imposes privacy obligations and requirements to cooperate with and report violations of law to law enforcement officials. We receive notices from regulatory and statutory authorities in the ordinary course of our business. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being commenced against us, third party claims or the cancellation of our license to provide private security services, levy of regulatory fines which may adversely affect our business, results of operations and financial condition.

22. We are required to obtain, maintain or renew statutory and regulatory licenses in respect of our principal business lines, and if we fail to do so, in a timely manner or at all, we may be unable to fully or partially operate our businesses and our results of operations may be adversely affected.

We are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business. In particular, we are required to obtain PSARA Approvals for providing private security services in India. A PSARA Approval is valid for a period of five years, unless cancelled. As on the date of this Prospectus our Company operates in 4 states and has obtained valid approvals for only 3 States and applications for PSARA, GST Registration, Shops & Establishment are in process/ pending for approval for 1 State. Our Company's applications for grant of PSARA Approval in one state is pending. A majority of these

approvals are granted for a limited duration and require renewal. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, or if there is any adverse interpretation of applicable regulations by any judicial, regulatory or administrative authority, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for carrying out our business. If we fail to obtain or renew such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations and financial condition may be adversely affected. For further details of key regulations applicable to our business and our operations, see “Key Industry Regulations and Policies” on page 122 and for details of pending approvals relating to our business and operations, see “Government and Other Approvals” on page 204.

23. The industries in which we operate are intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition.

The industries in which we operate comprise a number of very fragmented and competitive markets, particularly at the local level, with smaller operators competing for local contracts. There is intense pricing competition from private security agencies which operate at the local level, which may be preferred by certain customers, due to factors such as better pricing, ability to speak the regional language and better coordination with local administrative and law enforcement agencies. Specifically, the security services and facility management markets have relatively low economic barriers to entry and competitive pricing. Competition in these industries may also intensify if service providers offering limited services begin to offer integrated services. Many of our competitors may also have greater financial, operational, technical, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader service offerings or a stronger sales force. In addition to our current competitors, additional competitors may enter the market. Our competitors may succeed in rendering services more effectively and economically than us, which may make our services uncompetitive and adversely affect our business, results of operations and financial condition. See “Industry Overview” on pages 81 and “Our Business” on page 99 for further details.

24. Our financing agreements entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.

In relation to the financing agreements entered into by us, the interest rate for certain loan amounts availed by us, aggregating to ₹ 2158.82 lakhs as of December 31, 2017, is expressed as the base rate of a specified lender and interest spread per annum, which is variable. Further, most of our financing agreements include provisions providing for interest rates to be periodically reset, or changed based on the lender’s internal policies. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition. See “Financial Indebtedness” on page 198 for a description of interest typically payable under our financing agreements.

25. Our Promoters have provided personal guarantee for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations, which may impact the ability of our Promoters and Directors to effectively render their duties and thereby, adversely impact our business and operations.

Our Promoters who are also Directors of our Company, have personally guaranteed the repayment of certain loan facilities availed by our Company. As on December 31, 2017, outstanding amounts from credit facilities personally guaranteed by Promoters amounted to ₹1352.50 lakhs, which constituted 60.72% of our outstanding indebtedness as on such date. For further information please see section titled “Financial Indebtedness” on page 198. Any default or failure by us to repay our loans in a timely manner, or at all, could trigger repayment obligations on the part of our Promoters in respect of such

loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoters and Directors of our Company, thereby having an adverse effect on our business, results of operation and financial condition. In the event these individuals withdraw or terminate their guarantees, our lenders may require alternate guarantees, repayments of amounts outstanding or even terminate the loan facilities. We may not be successful in providing alternate guarantees satisfactory to the lenders, and as a result may be required to repay outstanding amounts or seek additional sources of capital, which could affect our financial condition and cash flows.

26. Our inability to protect or use our intellectual property rights may adversely affect our business.

Our name and trademark are significant to our business and operations. We believe that our trade name have significant brand recognition in its respective sectors. The use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial

performance and the market price of the Equity Shares. Further, our trademark  is not duly registered under the applicable classes in India but we have made applications to register our trademark for both our lines of business. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition. We may not be able to prevent infringement of such trademark and a passing off action may not provide sufficient protection until such time the trademark is duly registered under the applicable class in India. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our business, results of operations and financial condition.

27. Our customers may delay or default in making payments for services rendered by us which could affect our profits, cash flows and liquidity.

Cash collection trends and trade receivables have an impact on our cash receipts and, consequently, on our cash flows. Trade receivables constitute a significant portion of our total assets and were ₹1705.56 Lakhs, ₹ 1338.25 Lakhs and ₹ 1057.69 Lakhs or 48.39%, 42.46% and 58.51 of our total assets for Fiscal Years 2017, 2016 and 2015, respectively. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. An increase in bad debts or defaulting customers may lead to greater usage of our operating working capital and increased interest costs. Successful control of the trade receivables process requires development of appropriate contracting, invoicing, credit, collection and financing policies. Our failure to maintain such policies could have an adverse effect on our business, financial condition and cash flows.

28. We are dependent on a number of key personnel, including our senior management, and the loss of, or our inability to attract or retain, such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our senior management, other key personnel and the performance and productivity of our operational managers and field personnel. We believe that the inputs and experience of our senior management and in particular, the expertise, experience and services of Mr. Srikanth Kodali, our Promoter and other key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. For details in relation to the experience of our senior management and key management personnel, see "Our Management" on page 134. There is no assurance, however, that these individuals or any other member of our senior management team will not leave us or join a competitor. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting

employees that our business requires. The loss of the services of such persons may have an adverse effect on our business and our results of operations.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

29. Our Promoter, Director and certain of the members of our Promoter Group have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.

Our Promoters, Director and certain of the members of our Promoter Group may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Our Promoters, Director and certain members of our Promoter Group may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Promoters, Directors and our members of Promoter Group, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, please refer to section titled "Capital Structure"; and "Our Promoters and Promoter Group" beginning on pages 57 and 150 respectively of this Draft Prospectus.

30. Our Promoters will continue to retain control over our Company after completion of the Offer, which will allow him to influence the outcome of matters submitted for approval of our shareholders.

Our Promoters currently own 97.13% of our Equity Shares. Following the completion of the Offer, our Promoters will continue to hold majority shareholding of our post-Offer Equity Share capital. As a result, they will have the ability to influence matters requiring shareholder's 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. We cannot assure you that our Promoters 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.

31. Our registered, corporate, branch offices and training centres are not registered in our name and are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.

Our registered, corporate, branch offices and training centres, are located on leased premises, and we do not own these premises. In the event such leases are not renewed or are terminated, it could adversely affect our operation unless we arrange for similar premises. If we are unable to continue or renew such leases on same or similar terms, or find alternate premises on lease on similar terms or at all, it may affect our business operations.

32. The LM has relied on declarations and affidavits furnished by some of our Directors and other individuals for details of their profiles included in this Draft Prospectus.

Our Promoters are also our Directors, namely, Mr. Srikanth Kodali and Mr. Radha Krishna Pinnamaneni have been unable to trace copies of documents pertaining to their educational qualifications and prior professional experience. Accordingly, reliance has been placed on declarations, undertakings and affidavits furnished by these Directors to the Lead Managers to disclose details of their educational qualifications and professional experience in this Draft Prospectus. Accordingly, the Lead Managers have been unable to independently verify these details prior to inclusion in this Draft Prospectus. Further, there can be no assurances that our Directors will be able to trace the relevant documents pertaining to their qualifications and prior experience in future, or at all.

33. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our operations and could constrain our ability to obtain financing on favourable terms and refinance existing indebtedness. In addition, we cannot assure you that required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business, financial condition and results of operations.

34. The loss of, or a significant decrease in revenues from, one or more of our key clients or primary markets may adversely affect our revenues, results of operations and financial performance.

Revenues from any particular client may vary between financial reporting periods depending on the nature and term of ongoing contracts with such client. However, historically certain key clients have accounted for a significant proportion of our revenues in the relevant business segments. In Fiscal Year 2017, our top 10 clients contributed 42.47%, of our total revenues while our largest client contributed 17.12%, of our total revenues. The loss of any of our key clients could have a material adverse effect on our results of operations or financial condition, even if we generate equivalent revenues from new clients. Significant dependence on certain clients, particularly in our relatively newer service offerings, may increase the potential volatility of our results of operations, if we do not achieve our expected margins or suffer losses on such contracts. In addition, it may increase our exposure to individual contract risks. Our clients can unilaterally decrease the amount of services we provide or terminate all services due to any reason including those beyond our control, including adverse business and financial conditions, which could have a material adverse effect on our future operating results. Further, we typically do not enter into long term contracts for our services and our service agreements with clients are typically cancellable by either party at relatively short notice.

The loss of, or a significant decrease in revenues from these key markets due to any economic or other factors beyond our control may adversely affect our revenues, results of operation and profitability.

35. Some of our contracts are with the Government of India or government agencies and we may face certain inherent risks associated with government contracts.

We have entered into certain contracts involving the Government of India (GoI) and certain State governments and government controlled entities, particularly in our skill development and training business. We may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned or controlled entities. We are also subject to risks arising from any abrupt change in government policy or discontinuation of funding of certain programs. In addition, there may be delays associated with collection of grants and receivables from government owned or controlled entities. Payments from government owned or controlled entities are typically made on achievement of project milestones which are subject to audit by government agencies. Any delay in certification by such government agencies could have an adverse impact on our collections and consequently on our financial condition.

36. We may not be able to qualify for, compete and win contracts, which could adversely affect our business and results of operations.

We obtain some of our contracts through a competitive bidding process. In selection for major contracts, clients generally limit the bid to contractors (or sub-contractors) they have pre-qualified based on several criteria including experience, technical and technological capacity, previous performance, reputation for quality, safety record, the financial strength of the bidder/ investor as well as its ability to provide performance guarantees. These requirements vary depending on our various business segments and the nature of the contract. If we are unable to pre-qualify for contracts that we intend to bid on, or successfully compete for and win such contracts, our business, results of operations and financial condition may be adversely affected.

37. We may be unable to obtain future financing on favourable terms, or at all, to fund expected capital expenditure and working capital requirements.

Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future financing may depend on several factors, among others, new business opportunities, regulatory changes, economic conditions, technological changes and market developments. Our sources of additional funding, if required, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Similarly, our working capital requirements may increase due to various factors including growth in our businesses and longer payment schedules from our clients. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. A disproportionate increase of our working capital requirements may result in increased borrowing costs, which may have an adverse effect on our financial condition and results of operations.

Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including: future results of operations, financial condition and cash flows; economic, political conditions and market demand for our services; costs of financing, liquidity and over all condition of financial and capital markets in India and internationally; receipt of applicable business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets. Any such inability could have a material adverse effect on our business and results of operations.

38. Our financial condition may be adversely affected if any of our contingent liabilities materialize.

As of December 31, 2017, our contingent liabilities as disclosed in the notes to our financial statements aggregated to ₹ 148.91 Lakhs. The following table sets forth certain information relating to our contingent liabilities as of December 31, 2017:

Particulars	(Amount ₹ in lakhs)
Claims against the Company not acknowledged as debts	
Service Tax	16.87
Income Tax	0.96
Guarantees given on Behalf of the Company	131.09
T O T A L	148.91

For further details, see "Financial Statements" beginning on page 156 of this Draft Prospectus. Our financial condition may be adversely affected if any of these contingent liabilities materialize.

External Risks Factors

39. Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and our business and cause the trading price of the Equity Shares to decrease.

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. 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. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and in the Indian economy. Any worldwide financial instability could also have a negative effect on the Indian

economy. Accordingly, any significant financial disruption could have an adverse effect on our business, financial condition and results of operations.

40. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.

The regulatory and policy environment in which we operate is evolving and subject to change. Our business is subject to a significant number of state tax regimes and changes in legislations governing them, implementing them or the regulator enforcing them in any one of those jurisdictions could adversely affect our results of operations. The applicable categories of taxes and tax rates also vary significantly from state to state, which may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government or State Governments that affect our industry include GST, income tax and other taxes, duties or surcharges introduced from time to time and any adverse changes in any of the taxes levied by the Government or State Governments could adversely affect our competitive position and profitability. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

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

Any major hostilities involving India or other countries or other acts of violence, including civil unrest including acts of terrorism or similar events that are beyond our control, could have a material adverse effect on the Indian and/or global economies and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally. Such events could also potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy.

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

42. Political instability and significant changes in Government policy could adversely affect economic conditions in India generally and our business in particular.

Changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments in and affecting India may have an adverse effect on our results of operations.

India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the Government and that of the state governments in the Indian economy and their effect on producers, consumers, service providers and regulators has remained significant over the years. Both state and central governments have, in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees and determined the allocation to businesses of raw materials and foreign exchange. Since 1991, successive Governments have pursued policies of economic liberalisation, including significantly relaxing restrictions in the private sector. Nevertheless, the role of the Government and state governments in the Indian economy as producers, consumers and regulators has remained significant. There can be no assurance that the Government's past liberalization policies or

political stability will continue in the future. Elimination or substantial change of such policies or the introduction of policies that negatively affect the security service industry could have an adverse effect on our business. Any significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India generally and our business in particular.

43. Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

We propose to utilise the Net Proceeds for Working Capital requirements, Repayment of Unsecured Loans, General Corporate Purposes & to meet issue expenses. For further details of the proposed objects of the Offer, please refer to section titled "Objects of the Offer" beginning on page 70 of this Draft Prospectus. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in the Draft Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

44. The requirements of being a listed company may strain our resources.

We are not a listed company. We have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the Equity Listing Agreements with the Stock Exchange which will require us to file audited annual and half yearly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required.

As a result, our management's attention may be diverted from other business concerns, which may 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, but we cannot assure you that we will be able to do so in a timely and efficient manner.

45. Any downgrading of India's debt rating by an international rating agency could adversely affect our business.

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

46. The trading volume and market price of the Equity Shares may be volatile following the Offer.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- changes in the price of oil or gas;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

47. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our Promoters or significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares (including under ESOPs), convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales may occur, including complying with the minimum public shareholding norms applicable to listed companies in India, may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber the Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur, may significantly affect the trading price of the Equity Shares.

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

Under the Income Tax Act, capital gains arising from the sale of equity shares in an Indian company within 12 months of purchase are generally taxable in India. Any gain realized on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the sale transaction. The STT is collected by the Indian stock exchange on which equity shares are sold. Any gain realized on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. The recent Finance Act 2017 amendments provided that where the shares have been acquired on or after October 1, 2004 and on which STT has not been paid at the time of acquisition, then the exemption of long term capital gains under section 10(38) of the Income Tax Act would not be available. This amendment further provides that the Government will notify certain modes of acquisition to which the recent amendment made by Finance Act 2017 would not be applicable and the shares acquired by such modes of acquisition would continue to get the benefit of section 10(38) of the Income Tax Act. The Government has issued a notification dated June 5, 2017 listing out certain modes of acquisition where the benefit of section 10(38) will not be applicable, subject to certain exceptions.

Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief that may be available under the applicable tax treaty or under the laws of their own jurisdiction.

Additionally, in terms of the Finance Bill, 2018, tabled before the Parliament, it has been proposed that the exemption on long term capital gains tax be withdrawn and such tax becoming payable in the hands of the investors. The tax payable by an assessee on the capital gains arising from transfer of long term capital asset (to be introduced as section 112A of the Income Tax Act, 1961) shall be calculated on such long term capital gains at the rate of 10%, where the Long term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

49. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions specified by the RBI, then the prior approval of RBI will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further details, please refer to section titled "Restrictions on Foreign Ownership of Indian Securities" beginning on page 274 of this Draft Prospectus.

50. 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.

Our ability to pay dividends in the future will depend on a number of factors, including but not limited to the earnings, working capital requirements, contractual obligations, applicable legal restrictions and overall financial condition of our Company. We may decide to retain all of our Company's earnings to finance the development and expansion of our Company's business and therefore, our Company may not declare dividends on the Equity Shares. Any future determination as to the declaration and payment of dividend 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. For details of dividends paid by our Company in the past, please refer to section titled "Dividend Policy" beginning on page 155 of this Draft Prospectus.

51. 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, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, 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 shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

52. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our Company's financial condition. Our failure to successfully adopt IFRS may have an effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.

Our financial statements, including the financial statements provided in this Draft Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, see "*Currency Conventions, Use of Financial, Industry and Market Data & Currency Presentation*" beginning on page 13 of this Draft Prospectus. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards" ("IFRS"), which was announced by the MCA, through the press note dated January 22, 2010. These "IFRS based / synchronized Accounting Standards" are referred to in India as IND (AS).

Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, the Finance Minister, during the Budget speech, 2014, proposed the adoption of IND (AS) by Indian companies from fiscal 2016 on a voluntary basis, and from fiscal 2017 on a mandatory basis. Accordingly, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards (i.e., IND (AS)) and for future periods.

Further, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an effect on the trading price of our Equity Shares. Moreover, our transition to IFRS reporting may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. Any of these factors relating to the use of IFRS-converged Indian Accounting Standards may affect our financial condition.

Risks Related to the Offer

53. The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock exchange may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process 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. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the Stock exchange, securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

54. You will not be able to immediately sell any of the Equity Shares you purchase in this Offer on the Stock exchange.

Under the SEBI (ICDR) Regulations, we are permitted to allot Equity Shares within four (4) Working Days of the Offer Closing Date. Consequently, the Equity Shares you purchase in the Offer may not be credited to your book or dematerialized account with the Depository Participants until fifth (5) Working Days after the Offer Closing Date. You can start trading in the Equity Shares only after they have been credited to your dematerialized account and listing and trading permissions are received from the Stock Exchange.

55. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The Offer Price of the Equity Shares has been determined by our Company and Selling Shareholders in consultation with the LM through the Fixed Price Process. This price is based on numerous factors, as described under section titled "Basis for Offer Price" beginning on page 76 of this Draft Prospectus and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price.

56. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our Promoters or significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.

After the completion of the Offer, our Promoters and significant shareholders will own, directly and indirectly, approximately 72.87 % of our outstanding Equity Shares. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in the section titled "Capital Structure" beginning on page 57 of this Draft Prospectus, no assurance may be given that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

57. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the 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 jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file 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 interests in our Company may be reduced.

Prominent Notes to Risk Factors

1. Public Offer of 23,04,000 equity shares of face value of ₹10 each ("**Equity Shares**") of Kapston Facilities Management Limited ("**Company**" or "**Issuer**") for cash at a price of ₹92 per equity share (including a share premium of ₹82 per equity share) aggregating ₹2119.68 lakhs (the "**Offer**"), comprising of Fresh Issue of 11,52,000 equity shares aggregating ₹1059.84 lakhs by the Company ("**Fresh Issue**") and an Offer for Sale of 11,52,000 Equity Shares aggregating ₹1059.84 lakhs by the Selling Shareholder ("**Offer for Sale**"). Of the Offer, 1,17,600 Equity Shares of face value ₹10 each for cash at a price of ₹92 per Equity Share, aggregating ₹108.19 lakhs which will be reserved for subscription by the Market Maker to the Offer (the "**Market Maker Reservation Portion**"). The Offer less Market Maker Reservation Portion i.e. Offer of 21,86,400 Equity Shares of face value of ₹10 each for cash at a price of ₹92 per Equity Share, aggregating ₹2011.49 lakhs is hereinafter referred to as the "**Net Offer**". The Offer and the Net Offer will constitute 26.50% and 25.14% respectively of the post Offer paid-up equity share capital of our Company.
2. For nine (9) months period ended December 31, 2017 and as at March 31, 2017 and March 31, 2016 our Company's net worth was ₹ 1481.24 lakhs, ₹1043.43 lakhs, ₹737.47 lakhs respectively as per our Company's Restated Financial Statements. For more information, please refer to section titled "Financial Statements" beginning on page 156 of this Draft Prospectus.
3. The average cost of acquisition of Equity Shares by our Promoters are as follows:

Name of Promoters	Amount (₹)
Mr. Srikanth Kodali	0.70
Mr. Radha Krishna Pinnamaneni	Not Applicable

For further details, please refer to section titled "Capital Structure" beginning on page 57 of this Draft Prospectus. The average cost of acquisition per Equity Share by our Promoters has been calculated by taking the average of the amounts paid by each of our Promoters to acquire the Equity Shares.

4. Our Company was originally incorporated as a private limited company, at Andhra Pradesh, India under the Companies Act, 1956 in the name of Kapston Facilities Management Private Limited vide Certificate of Incorporation dated January 31, 2009. Subsequently, pursuant to conversion of our Company to a public limited company, a fresh certificate of incorporation was issued by RoC, Hyderabad on January 29, 2018. For details of changes in name and registered office of our Company, please refer to the section titled "*History and Certain Corporate matters*" beginning on page 129 of this Draft Prospectus.

5. Our Company does not have any Group Companies as on the date of this Draft Prospectus. For further details, please refer to section titled "Our Group Companies" beginning on page 153 of this Draft Prospectus.

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

Investors may contact the Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Offer. For contact details of the Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "General Information" beginning on page 49 of this Draft Prospectus.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Statements" and related notes beginning on page 17 and 156 Draft Prospectus.

Our Company falls under the Security & Facility Management Sector and further under the Service Industry. The analysis of the Sector and Industry may be approached by analysing both, the domestic as well as the global markets. The broad view of our Industry shall consist of analysis of the Service Industry at the preface followed by the Security & Facility Management Sector.

BACKGROUND OF SERVICE INDUSTRY

The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment flows, contributed significantly to exports as well as provided large-scale employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction.

The services sector is the key driver of India's economic growth. The sector contributed around 53.8 per cent of its Gross Value Added in 2016-17 and employed 28.6 per cent of the total population. Net services exports from India grew 14.6 per cent in the first half of 2017-18 and the sector attracted 60.7 per cent of India's total FDI inflows.

India's score in the Nikkei/IHS Markit Services Purchasing Managers Index grew from 45.90 in July 2017 to 50.90 in December 2017, supported by growth in the growth in Information & Communications and Finance & Insurance. As per the Economic Survey 2017-18, Central Statistics Office's (CSO) first advance estimates of Gross Value Added (GVA) in FY 2017-18 indicate that the services sector is expected to grow 8.3 per cent year-on-year.

According to a report called 'The India Opportunity' by leading research firm Market Research Store, the Indian mobile services market is expected to reach \$37 billion in 2017 and grow by 10.3 per cent year-on-year to reach US\$ 103.9 billion by 2020. Out of overall services sector, the sub-sector comprising financial services, real estate and professional services contributed US\$ 305.8 billion or 20.5 per cent to the GDP. The sub-sector of community, social and personal services contributed US\$ 188.2 billion or 12.6 per cent to the GDP.

(Source: www.ibef.org/industry/services.aspx)

BACKGROUND OF SECURITY SECTOR

The security industry is a large and expanding area of the economy with an estimated global market worth of 173 billion USD. The private security industry in India, valued at 570 billion INR is also promising. The Indian industry is still nascent and is likely to see exponential growth both in terms of manpower employed and market share due to rapid infrastructural and economic development, leading to an increased need for prevention, detection and protection of assets and citizens against criminal acts such as fraud, terrorism, theft, drug-related offences and violent crimes.

Yet another factor adding to the demand is the increase in individuals joining the billionaire league and seeking private protection at all times. The private security industry is one of the largest employers in India and is continuously growing. The private security industry is amongst the largest employers in India, employing almost 8.5 million people and has the potential to employ 3 million more people by 2020.

Manned guarding continues to be the service line with maximum employment and is also the highest revenue generator for the private security industry, contributing to 80 per cent of the revenue, followed by cash services. With a high level of advancements in technology, services like electronic security services, integrated facility management and security architecture and engineering will see greater prominence in the time to come. This not only has the potential to improve the quality of services offered by security companies but may also prove to be a boon for the large workforce who will have the opportunity to up-skill themselves and progress to engaging employment conditions.

Government policies are changing the game quickly with important decisions being taken to overcome challenges such as revision in foreign direct investment (FDI) rates, recategorisation of security workers and modification in the minimum wages. However, the industry stakeholders are still of the view that more changes at the policy level and improved enforcement could help private security grow further and make the sector more viable for investments. Some key suggestions are creating a grading framework for private security players in the market and having a single window licence process.

The 570 billion INR private security industry in India is likely to witness rapid expansion, with the market share going up to 990 billion INR by 2020. Government policies like making guards in schools and ATMs mandatory and mandatory installation of CCTV cameras at various locations have also accelerated the demand for private security guards in the country. Considering the growing demand for security services, security firms in India are seeking capital to expand their business. Some international players are also foraying into India to tap the potential of the industry. Growth drivers Growth in security solutions and electronic security devices Rapid infrastructure development Increase in crime rate Low police to citizen ratio Policy reform Demographic characteristics India's competitive advantage has been its competitive wage structure and availability of manpower.

A large number of youth within the age group of 15–19 fall below the poverty line as they drop out of formal education and have limited avenues for employment. Key regions from where manpower is sourced include Bihar, Uttar Pradesh, Jharkhand, Madhya Pradesh, Rajasthan and Assam. Most of these resources come to urban cities in search of better employment opportunities. The youth from urban cities, though, associate the security industry with low aspirational value owing to lack of social security schemes, long working hours and poor working conditions. However, the private security industry continues to be one of the largest employers in India. Over 90 per cent of this workforce consists of security guards who are at the base of the pyramid, with little to no relevant experience or expertise. Most individuals come in search of employment to urban centres and resort to working as security guards as the last option. India has the world's largest number of private security workers, industry to double by 2020. Stakeholders are of the opinion that more changes need to be brought in to make the sector more streamlined and profitable.

(Source: <http://ficci.in/spdocument/20966/FICCI-PwC-Report-on-Private-Security-Industry.pdf>)

BACKGROUND OF FACILITY MANAGEMENT SECTOR

From ancient times, owners of large properties have often found it useful to employ managers to run the daily business matters of their estates. The lord of the manor sometimes was away fighting a war, sometimes held too much property to manage properly on his own, or sometimes was not interested in this responsibility or too incompetent to handle these matters by himself. In medieval England, the person managing the estate was known as a reeve, and one appears in Chaucer's *The Canterbury Tales*. The poet describes him as highly efficient, knowing exactly what harvests and livestock production the estate yields in all seasons, and sophisticated in negotiations—all skills that are still prized in facilities managers. One quality Chaucer mentions, never being in debt, is no longer desirable, because nowadays a facilities manager needs to know how to use credit effectively.

In the 20th century, facilities of all kinds—factories, stores, office buildings, hospitals, government buildings, stadiums, hotels, apartment buildings, and so forth—became increasingly complex, with dedicated staff, procedures, and systems to provide vital functions such as heat, ventilation, water, waste removal, lighting, and security. It no longer was practical for a manager who was responsible for the activities within a facility—a retail manager, an office manager, a hotel manager, and so forth—to handle the day-to-day management of the facility itself. As a result, facilities management became an industry in its own right.

Facilities management is a field that blends business management, architecture, engineering, and (increasingly) information technology. It coordinates the physical workplace with the people and work within it. Although work takes place in many different kinds of facilities—including factories, office buildings, hospitals, prisons, theaters, schools, and laboratories—all facilities share the need for certain services. They all need to be secure and safe, heated in winter, cooled in summer, protected from the elements, clean, and effectively connected to the infrastructures of power, water, waste removal, information, and transportation. In a small facility, one person may ride herd on all of these duties—and, in fact, this characterizes 80 percent of the establishments in this industry—but in larger facilities or in firms that manage multiple facilities, these responsibilities often are assigned to separate managerial departments and handled by specialized workers.

The businesses that arrange for all of these needs to be met belong to the industry that the Bureau of Labour Statistics calls *facilities support services*, which employs 1,43,280 workers. The global facilities management industry generated \$28.90 in revenue in 2016, according to a report by Research and Markets.

These figures for the industry do not represent the work that goes on in the businesses housed in the facilities. For example, there are also front desk clerks in hotels, doctors and nurses in hospitals, and the cooks and servers in restaurants. There are also people who work for establishments that contract with facility management to provide support services, such as a security business that provides guards to patrol a shopping mall at night, a plumbing business that sends someone to fix a leaky faucet in someone's apartment, or a landscaping business that provides weekly lawn mowing for an office park. People who work in facilities support services, such as administrative services managers, contract with these other kinds of businesses for such necessary tasks that keep the facility running smoothly. Their responsibility is to maintain and manage the facility.

The industry is of comparatively recent origin. It emerged because facilities operations became too complex to be managed efficiently by those running the businesses within the facilities. The key occupation that developed to manage these services, administrative services managers, now employs more than 2,87,300 workers. This figure is large because it includes some workers who manage business support functions such as mail delivery, secretarial work, and office supplies that are not considered functions of a facility but rather of businesses within the facility.

The outlook for administrative services managers, 8 percent growth through 2024, is about the same as the average for all occupations. The occupation tends to be sensitive to fluctuations in the economy. During recessions, the many small operations in this industry, in which one person manages all facilities support functions, tend to be consolidated into large firms employing managers who delegate the work to specialized departmental managers.

(Source: <http://www.vault.com/industries-professions/industries/facilities-management.aspx>)

SUMMARY OF BUSINESS

Our Company, Kapston Facilities Management Limited (KFML), was incorporated in the year 2009 and is a provider of private security and facility management services in India. KFML has grown considerably over such a short span and is one of the leading service providers of Security Services in Telangana & Andhra Pradesh. We are an ISO 9001 & OHSAS 18001 certified company for providing Integrated Facility Management Services for Security, House Keeping, M&E (Electro Mechanical) and Landscaping (Horticulture) and allied services. Backed by a team of dedicated and expertised persons from multifaceted segments providing services to large private sector, Multinational companies and other sectors. We provide smartly uniformed, highly trained and professional guards who are responsible for security and safety of assets, personnel and property against losses due to thefts, pilferage and instructions. Our Company is MSME Certified with PSARA License and are members of esteemed organisations such as APSA, SCSC IISSM, CAPSI, SSSDC and FTAPCCI. Further, our company has received NSIC- CRISIL Performance and Credit Rating of MSE*2, High credit worthiness in relation to other MSEs.

Presently we have around 6394 employees, including a team of competent & qualified professionals & esteemed clients spread across different locations. Optimum combination of Human Resource pool backed by spotless integrity, Kapston provides a comprehensive array of security solutions to endow our clients with an unmatched feeling of safety and sense of security. Keeping in trend with time and technology, we proactively design and implement training modules, to reinforce our client's trust in us. Over the last decade, our strength has grown in numbers as well as widening our spectrum of Security Services to an extent where Kapston has become an Integrated Facility Management Solution Provider.

With headquarters in Hyderabad (2 offices- Registered office and Corporate office), Kapston boasts of a widespread branch network consisting of 4 additional branch offices and 8 training centres across 10 cities in 8 states. Of the above, the Government aided training centres under the prestigious 'Deen Dayal Upadhyaya Grameen Kaushalya Yojana' (DDUGKY) project under the Ministry of Rural Development (MoRD) in the states of Maharashtra, Karnataka, Odisha, Assam and Kerala in Security, Housekeeping and Hospitality-F & B services., All training centres incentivizes corporates to Train and Recruit youth in select skills. This scheme operates on a Public-Private Partnership model (PPP model) and provides subsidies based on the number of youth trained and recruited by the partner. The DDUGKY scheme not only provides a steady stream of competent workforce but also defrays the cost of training which would in any case be incurred in normal course of business. We have recently set up a branch offices in Chennai and has put in place an aggressive growth strategy in place in these fast growing markets for better opportunities.

We have partnered with 'National Skill Development Corporation' (NSDC) with a target to train and provide employment to unemployed youth by the year 2025 across various segments. NSDC, is a one of its kind, Public Private Partnership set-up by Ministry of Finance working under the supervision and control of Ministry of Skill Development and Entrepreneurship, with the primary mandate of catalysing the skills landscape in India. NSDC is a unique model created with the main objectives:

- Upgrade skills to international standards through significant industry involvement and develop necessary frameworks for standards, curriculum and quality assurance
- Enhance, support and coordinate private sector initiatives for skill development through appropriate Public-Private Partnership (PPP) models; strive for significant operational and financial involvement from the private sector
- Play the role of a "market-maker" by bringing financing, particularly in sectors where market mechanisms are ineffective or missing
- Prioritize initiatives that can have a multiplier or catalytic effect as opposed to one-off impact.

By partnering with NSDC, Kapston has embarked on a venture in line with the National mission of generating employment for the unemployed youth and thereby alleviate poverty, besides also enhancing overall skills towards the Nations Development Index.

We serve prominent names of various segments including IT & ITES, Multinational Corporations (MNCs), Corporates, Industries, Banks, Hotels, Hospitals, Malls & Retail, Infrastructure, Construction projects and

Residential Sites, etc. We have set up an extensive employee platform which spans recruitment, customized training and development, deployment, incentivization and management of personnel. We have reach for manpower sourcing and training and currently operate 9 training academies in our security services personnel undergo extensive physical and classroom training. Our personnel recruitment, training and deployment initiatives are process oriented and technology driven with detailed performance indicator tracking, reporting and evaluation of personnel. Presently we have over 6394 employees of which billable personnel are 3785 employed for security services and 2380 for facility management services rendered, additionally there are 229 unbillable personnel on the payroll of the Company.

Our Company is promoted and managed by Mr. Srikanth Kodali and Mr. Radha Krishna Pinnamaneni having over a decade of experience in operating our line of business. In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations and also acquire and integrate businesses. For further details see “Our Management” on page 134 of this Draft Prospectus.

Our vision is to become the leading Skills Development Company in the Security Services and Integrated Facility Management Services (IFMS) Industry within South India. Our endeavor is to empower the youth with strong skills-set, whilst also bringing about an improvement in the quality of life and thereby setting even higher standards across the entire segment. By working to ensure 100% placement in the Security and IFMS industry, we would not only be growing the operations of our business but also aid nation building by generating employment to the unemployed section of the population. In essence, our pre-requisite would be to benchmark Kapston’s profile with the highest International standards and also secure absolute client satisfaction.

For the nine (9) months period ended December 31, 2017 and fiscal 2017, 2016 and 2015, our revenues from operations were ₹8073.93 lakhs, ₹9063.08 lakhs, ₹7027.38 lakhs, and ₹5735.64 lakhs, respectively. Our Profit After Tax for the similar period mentioned above was ₹437.81 lakhs, ₹305.97 lakhs, ₹216.22 lakhs, and ₹199.49 lakhs, respectively.

Our Business Operations

By creating a dedicated department for each sphere of service, we have ushered in professionalism in all our services. Also, every department endowed with the right blend of men and machinery is ushering in a regime of new found excellence. Our comprehensive range of Security Services include Manned Guarding, Escort Guarding, Event management, Fire Fighting and Dog Squad as well as Facilities Management services which include:

House Keeping, Office Support & Staffing (Business Support Services), Engineering & Maintenance, Landscaping & Garden Maintenance, Pantry Management Services, Façade Cleaning Services, Pest Control Services, Waste Management and Valet services

Our Competitive Strengths

- *Integrated services provider in diversified business segments, industries and geographies*
- *Strong Brand presence*
- *Experienced Promoters and proficient senior management team with low attrition rates.*
- *Diverse Portfolio of services offered*
- *Quality Assurance and Customer Satisfaction*
- *Continuous skill development program*

Our Strategies

- *Increase presence throughout South India*
- *Expand our service portfolio and our operations PAN India through strategic acquisitions*
- *Invest in established technological systems and processes leading to a scalable business model*
- *Grow our businesses across customer segments*
- *Continuous training and skills upgradation and retain talented employees*
- *Continued partnership with National Skill Development Corporation (NSDC) for enabling Working Capital Management of the Company*

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the Restated Financial Statements for the financial years ended March 31, 2017, 2016, 2015, 2014, 2013 and for the Nine (9) months period ended December 31, 2017 and are presented under section titled "Financial Information" beginning on page 156 of this Draft Prospectus. The summary financial statements presented below should be read in conjunction with the Restated Financial Statements, the notes and annexures thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 188 of this Draft Prospectus.

STATEMENT OF RESTATED ASSETS AND LIABILITIES				(₹ In lakhs)				
Sr. No.	Particulars	Annexure	As at December, 2017	As at March 31,				
				2017	2016	2015	2014	2013
	EQUITY AND LIABILITIES							
1)	Share Holders Funds							
	a. Share Capital	VII	167.62	139.68	55.87	50.00	50.00	1.00
	b. Reserves & Surplus	VIII	1,313.62	903.75	681.59	418.39	219.42	123.12
	TOTAL		1,481.24	1,043.43	737.47	468.39	269.42	124.12
3)	Non-Current Liabilities							
	a. Long Term Borrowings	IX	858.00	661.72	499.25	133.37	145.88	78.39
	b. Deferred Tax Liabilities		-	-	-	-	-	-
	c. Long Term Provisions	X	21.58	18.20	13.81	11.75	-	-
4)	Current Liabilities							
	a. Short Term Borrowings	XI	771.92	586.23	289.67	-	-	-
	b. Trade Payables	XII	127.66	93.78	128.64	77.24	56.67	35.53
	c. Other Current Liabilities	XIII	1,462.68	1,120.87	1,482.37	1,116.85	657.26	547.95
	d. Short Term Provisions	XIV	6.41	0.22	0.10	0.11	-	15.94
	T O T A L		4729.50	3,524.44	3,151.30	1,807.72	1,129.22	801.93
	ASSETS							
1)	Non-Current Assets							
	a. Fixed Assets (Net Block)							
	i. Tangible Assets	XV	1,785.82	1,355.61	413.98	255.73	202.98	119.36
	ii. Intangible Assets		-	-	-	-	-	-
	Gross Block		1,785.82	1,355.61	413.98	255.73	202.98	119.36
	Less: Depreciation		397.91	315.00	200.54	115.34	52.69	20.98
	Net Block		1,387.91	1,040.61	213.43	140.39	150.29	98.38
	iii. Capital Work in Progress		-	-	-	-	-	-
	b. Deferred Tax Asset	XVI	45.28	36.46	21.27	11.40	2.16	64.91
2)	Current Assets							
	a. Inventories	XVII	76.93	12.85	11.38	-	-	-
	b. Trade Receivables	XVIII	1913.60	1,705.56	1,338.25	1,057.69	826.27	569.11
	c. Cash and Cash Equivalents	XIX	391.64	386.46	450.27	446.17	37.80	38.82
	d. Short Term Loans & Advances	XX	679.52	51.52	861.04	10.75	3.77	8.00
	e. Other Current Assets	XXI	234.62	290.98	255.65	141.31	108.93	22.71
	T O T A L		4729.50	3,524.44	3,151.30	1,807.72	1,129.22	801.93

STATEMENT OF PROFIT AND LOSS AS RESTATED

(₹ In lakhs)

Sr. No.	Particulars	Annexure	As at December 31, 2017	For the year ended March 31,				
				2017	2016	2015	2014	2013
A	INCOME							
	Revenue from Operations	XXII	8,073.93	9,063.08	7,027.38	5,735.64	4,127.02	2,794.77
	Grants received for Skills Projects	XXIII	412.67	299.50	468.23	152.72	23.75	5.36
	Other Income	XXIV	1.06	25.03	3.82	2.37	1.31	0.29
	Total Income (A)		8,487.66	9,387.61	7,499.43	5,890.73	4,152.08	2,800.42
B	EXPENDITURE							
	Cost of Material Consumed	XXV	92.49	151.67	171.42	138.98	433.12	64.16
	Employee benefit expenses	XXVI	6,701.48	7,666.05	5,845.94	4,821.76	3,233.76	2,421.42
	Expenses related to Grants for Skills Projects	XXVII	412.67	299.50	468.23	152.72	-	-
	Finance costs	XXVIII	172.07	146.97	97.40	17.05	8.55	4.59
	Depreciation and amortization expense	XV	82.91	114.46	85.20	62.14	31.70	15.60
	Other Expenses	XXIX	449.19	542.81	483.12	416.93	230.28	160.88
	Total Expenses (B)		7,910.80	8,921.45	7,151.32	5,609.59	3,937.42	2,666.64
C	Net Profit / (Loss) before Extra-ordinary items and tax (C)		576.86	466.15	348.11	281.14	214.66	133.78
D	Net Profit / (Loss) before tax							
	<i>Tax expense :</i>							
	(i) Current tax		147.87	175.38	141.76	90.90	44.22	83.81
	(ii) Deferred tax		8.82	15.19	9.87	9.25	(62.76)	65.33
	(iii) Mat Credit Entitlement						37.61	
E	Total Tax Expense (E)		139.05	160.19	131.89	81.66	69.37	18.48
F	Net Profit / (Loss) after tax (D-E)		437.81	305.97	216.22	199.49	145.29	115.29

STATEMENT OF CASH FLOW AS RESTATED

(₹ In lakhs)

Particulars	As at Decemb er 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Cash flow from operating activities:						
Net Profit before tax as per Profit And Loss account	576.86	466.15	348.11	281.14	214.66	133.78
<u>Adjusted for:</u>						
Depreciation & Amortization	82.91	114.46	85.20	62.14	31.70	15.60
Interest & Financial Charges	172.07	146.97	97.40	17.05	8.55	4.59
Provision for Gratuity	3.38	4.51	2.04	11.87		
Operating Profit Before Working Capital Changes	835.22	732.09	532.75	372.20	254.92	153.97
<u>Adjusted for (Increase)/ Decrease in:</u>						
Trade Receivables	(208.04)	(367.3 1)	(280.5 6)	(231.4 2)	(257.1 7)	(328.9 6)
Inventories	(64.08)	(1.47)	(11.38)	-	-	-
Short Term Loans and Advances	(628.00)	809.52	(850.2 9)	(6.99)	4.24	(8.00)
Other Current Assets (Other than MAT Credit)	56.36	(35.33)	(114.3 4)	(32.38)	(48.61)	1.00
<u>Adjusted for Increase/ (Decrease) in:</u>						
Trade Payables	33.88	(34.86)	51.39	20.58	21.14	13.40
Other Current Liabilities	341.82	(361.5 1)	365.52	459.59	109.30	310.08
Cash Generated From Operations Before Extra-Ordinary Items	367.16	741.13	(306.9 1)	581.59	83.82	141.49
Add:- Extra-Ordinary Items	-	-	-	-	-	-
Cash Generated From Operations	367.16	741.13	(306.9 1)	581.59	83.82	141.49
Direct Tax Paid	141.68	175.38	141.76	90.90	60.16	67.87
Net Cash Flow from/(used in) Operating Activities: (A)	225.49	565.76	(448.6 7)	490.68	23.66	73.62
Cash Flow From Investing Activities:						
Purchase of Fixed Assets	(430.21)	(967.7 0)	(158.2 4)	(52.75)	(83.62)	(85.92)
Sale of Fixed Assets		26.06	-	-	-	-
Changes in Capital WIP (Net)	-	-	-	-	-	-
Net Cash Flow from/(used in) Investing Activities: (B)	(430.21)	(941.6 3)	(158.2 4)	(52.75)	(83.62)	(85.92)
Cash Flow from Financing Activities:						
Increase in Share Capital	-	-	52.86	-	-	-
Increase / (Decrease) in Long Term Borrowing	196.29	162.47	365.88	(12.52)	67.49	43.00
Increase / (Decrease) in Short Term Borrowing	185.68	296.57	289.67	-	-	-
Interest & Financial Charges	(172.07)	(146.9 7)	(97.40)	(17.05)	(8.55)	(4.59)
Net Cash Flow from/(used in) Financing Activities (C)	209.90	312.07	611.01	(29.56)	58.94	38.41

Particulars	As at Decemb er 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	5.18	(63.81)	4.10	408.37	(1.02)	26.12
Cash & Cash Equivalents As At Beginning of the Year	386.46	450.27	446.17	37.80	38.82	12.71
Cash & Cash Equivalents As At End of the Year	391.64	386.46	450.27	446.17	37.80	38.82

THE OFFER

The following is the summary of the issue.

Issue of Equity Shares⁽¹⁾	23,04,000 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹92 per Equity Share aggregating to ₹2119.68 lakhs.
Out of which:	
<i>(1) Fresh Issue⁽²⁾</i>	11,52,000 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ 92 per Equity Share aggregating to ₹ 1059.84 lakhs.
<i>(2) Offer for Sale⁽³⁾</i>	11,52,000 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ 92 per Equity Share aggregating to ₹ 1059.84 lakhs.
The Offer consist of:	
Market Maker Reservation Portion	1,17,600 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ 92 per Equity Share aggregating to ₹ 108.19 lakhs.
Net Issue to the Public	21,86,400 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ 92 per Equity Share aggregating to ₹ 2011.49 lakhs.
Out of which:	
Non- Institutional Portion (Allocation to Retail Individual Investors for upto ₹2.00 lakhs)	10,93,200 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ 92 per Equity Share aggregating to ₹ 1005.74 lakhs.
Retail Portion Allocation to other investors for above ₹2.00 lakhs	10,93,200 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹ 92 per Equity Share aggregating to ₹ 1005.74 lakhs.
Pre and Post-Issue Equity Shares	
Equity Shares outstanding prior to the Offer	75,42,909 Equity Shares of ₹10 each
Equity Shares outstanding after the Offer	86,94,909 Equity Shares of ₹10 each
Objects of the Offer	Please refer to the section titled " <i>Objects of the Issue</i> " beginning on page 70 of this Draft Prospectus.

- (1) This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. For further details, please refer to section titled "Offer Related Information" beginning on page 222 of this Draft Prospectus.
- (2) The present issue has been authorised by our Board by way of resolution passed at its meeting held on February 21, 2018 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM held on February 22, 2018.
- (3) The Offer for sale has been authorized by the Selling Shareholders by their Consent letter dated February 21, 2018, as follows:

Sr. No.	Name of Selling Shareholders	No. of Equity Shares Offered
1.	Mr. Srikanth Kodali	10,50,070
2.	Mr. Radha Krishna Pinnamaneni	1,01,930

Note: The Equity Shares being offered by Selling Shareholders have been held by them for a period of at least one year prior to the date of this Draft Prospectus, calculated in the manner as set out under Regulation 26(6) of SEBI (ICDR) Regulations and are eligible for being offered for sale in the Offer.

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company, at Secunderabad, Andhra Pradesh, India under the Companies Act, 1956 in the name of Kapston Facilities Management Private Limited vide Certificate of Incorporation dated January 31, 2009. Further, pursuant to conversion of our Company to a public limited company, a fresh certificate of incorporation was issued by ROC, Hyderabad on January 29, 2018. For details of changes in registered office of our Company, please refer to the section titled "History and Certain Corporate matters" beginning on page 129 of this Draft Prospectus.

Registered Office of our Company

Kapston Facilities Management Limited

Plot No.287, MIG-2, IX Phase
KPHB, Kukatpally Hyderabad- 500072,
Telangana, India.
Telephone: +91 9640504050
CIN: U15400TG2009PLC062658
Website: www.kapstonfm.com
Email id: info@kapstonfm.com

Corporate Office of our Company

Kapston Facilities Management Limited

#1-98/9/3/23 Plot No. 12E,
Jai hind Colony, Madhapur,
Hyderabad – 500081, Telangana, India
Telephone: +91 9640504050
CIN: U15400TG2009PLC062658
Website: www.kapstonfm.com
Email id: info@kapstonfm.com

Note

- *The Company has passed Special resolution dated February 22, 2018 for keeping Statutory Registers and Returns at the corporate office of the Company.*
- *The Company has passed Board resolution dated February 22, 2018 for maintaining books of accounts at the corporate office of the Company.*

Designated Stock Exchange

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051, Maharashtra, India.

Address of the Registrar of Companies

2nd Floor, Corporate Bhawan, GSI Post, Tatiannaram Nagole, Bandlaguda, Hyderabad, Telangana 500 068, India.

Board of Directors

Our Company's board comprises of the following Directors:

Name, Nature of Directorship and DIN	Age	Residential Address
Mr. Srikanth Kodali Managing Director DIN: 02464623	44 years	Villa No.120,Indu Fortune fields,13th Phase, KPHB Colony,Kukatpally,Tirumalagiri, Hyderabad-500072, Telangana, India.
Mr. Kanti Kiran Doddapaneni Whole Time Director DIN: 07420023	38 years	Villa No.120,Indu Fortune fields,13th Phase, KPHB Colony,Kukatpally,Tirumalagiri, Hyderabad-500072, Telangana, India.
Mr. Radha Krishna Pinnamaneni Non- Executive Director DIN: 03324910	57 years	503, HIG 53 And 54, Panchavati VI Phase KPHB Colony, Ranga Reddy District Hyderabad 500072, Telangana, India.
Mr. Chereddi Ramachandra Naidu Independent Director & Chairman DIN: 02096757	68 years	Plot 63, Prashasan Nagar Road No. 72, Jubilee Hills, Hyderabad 500 033, Telanagana, India.
Mr. Naveen Nandigam Independent Director DIN No: 02726620	65 years	H No. 1-3-183/40/21/E, Plot No. 9, P and T colony, Kavadiguda, Gandhi Nagar, Hyderabad-500080, Telangana, India.

For further details of the Board of Directors, please refer to the section titled "Our Management" beginning on page 134 of this Draft Prospectus.

Company Secretary and Compliance Officer

Ms. Amreen Gulnaaz

Kapston Facilities Management Limited

#1-98/9/3/23 Plot No. 12E,
Jai hind Colony, Madhapur,
Hyderabad – 500081
Telephone: +91 9640504050
CIN: U15400TG2009PLC062658
Website: www.kapstonfm.com
Email id: cs@kapstonfm.com

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Issue or post- Issue related problems, such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary account, or Refund Orders.

Chief Financial Officer of our Company

Mr. Brendon Pereira

Kapston Facilities Management Limited

#1-98/9/3/23 Plot No. 12E,
Jai hind Colony, Madhapur,
Hyderabad – 500081
Telephone: +91 9640504050
CIN: U15400TG2009PLC062658
Website: www.kapstonfm.com
Email id: cfo@kapstonfm.com

Lead Manager/ Underwriter	
CKP Financial Services Private Limited	
906, Jay Antariksh 13/14, Makawana Road, Marol Naka Marol, Andheri (East) Mumbai 400 059, India. Telephone: +91 9322997964 +91 022 65014100 Email: info@ckpfinancialservices.com Investor grievance email: investors@ckpfinancialservices.com Contact Person: Mr. Brijesh Parekh/ Ms. Janvi Talajia Website: www.ckpfinancialservices.com SEBI registration number: INM000012449 CIN: U74120MH2015PTC270984	
Legal Advisor to the Offer	
V V Vinod Kumar Plot no. 14, Navanirman Nagar, Road No. 71, Jubilee Hills Hyderabad 500096, Telangana, India. Telephone: 040 23552577 Contact Person: V V Vinod Kumar Email: vinodvalipireddy@gmail.com	
Registrar to the Offer	
Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri (East), Mumbai 400059, India. Telephone: 022 6263 8200 Facsimile: 022 6263 8299 Email: ipo@bigshareonline.com Investor grievance email: investor@bigshareonline.com Contact Person: Babu Rapheal Website: www.bigshareonline.com SEBI Registration Number: INR000001385 CIN: U99999MH1994PTC076534	
Statutory & Peer Reviewed Auditors	
M/s. NSVR and Associates LLP (Formerly known as Nekkanti Srinivasu & Co.) Chartered Accountants Flat No 202, Nestcon Gayatri, Plot No 28, Panchavati Cooperative Society, Road No 10, Banjara hills, Hyderabad Telangana-500 034, India. Telephone: +91 40 23319833 E-mail: info@nsvr.in Website: www.nsvr.in Contact Person: Mr. V. Gangadhara Rao N Firm Registration: 008801S/S200060 Membership Number: 219486 Peer Review Certificate No: 009126	
Banker(s) to the Issue/ Refund Banker*	
*The Bankers to the Issue/ Refund Banker will be appointed prior to filing of Prospectus with the ROC.	
Bankers to our Company	
HDFC Bank Limited Plot No. 135a, Road no. 1 & 45, Jubilee Hills, Hyderabad 500 033, India. Telephone: +91-40-23546317 E-mail: p.rajeev@hdfcbank.com Website: www.hdfcbank.com Contact Person: P Rajeev	

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

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form number, applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Statement of *inter se* allocation of Responsibilities for the Issue

Since CKP Financial Services Private Limited is the sole Lead Manager to this Issue and all the responsibilities relating to the co-ordination and other activities in relation to the Offer shall be performed by them and hence, a statement of inter se allocation of responsibilities is not applicable.

Self-Certified Syndicate Banks (SCSBs)

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, see the above-mentioned 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 BSE at www.bseindia.com, as updated from time to time.

Registrar to the Offer 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.bseindia.com, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at www.bseindia.com, as updated from time to time.

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

Experts

Our Company has received written consent from the Peer Reviewed Auditors namely, M/s. NSVR and Associates LLP to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Statements dated February 22, 2018 and the Statement of Special Tax Benefits dated February 22, 2018, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

Brokers to the Issue

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

Credit Rating

As the Issue is of Equity Shares, credit rating is not required.

Trustees

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

Debenture Trustees

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

IPO Grading

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

Monitoring Agency

In terms of Regulation 16(1) of the SEBI (ICDR) Regulations, since the size of the present Issue is less than ₹10,000 lakhs, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

Although in terms of the Securities Listing Regulations, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

Withdrawal of the Issue

Our Company in consultation with the Lead Manager, 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 withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within two (2) 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 Offer, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft 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 Draft Prospectus, which our Company will apply for only after Allotment; and (ii) the final ROC approval of the Prospectus.

Underwriting

The Issue is 100% underwritten by the LM in their capacity of Underwriter to the issue. Pursuant to the terms of the Underwriting Agreement dated [●] entered into by us with Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Underwriters are registered with SEBI or registered as brokers with the stock exchange. The Details of the Underwriting commitments are as under:

Name, Address, Telephone, Fax, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten (₹ In lakhs)	% of the total Issue size Underwritten
CKP Financial Services Private Limited 906, Jay Antariksh 13/14, Makawana Road, Marol Naka, Andheri (East) Mumbai 400 059, India. Telephone: +91 9322997964/ 022 65014100 Email: info@ckpfinancialservices.com Investor grievance email: investors@ckpfinancialservices.com Contact Person: Mr. Brijesh Parekh Website: www.ckpfinancialservices.com SEBI registration number: INM000012449 CIN: U74120MH2015PTC270984	23,04,000	21,19,68,000	100.00%
Total	23,04,000	21,19,68,000	100.00%

Pursuant to the terms of the Underwriting Agreement dated [●], the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

Details of Market Making Arrangement for the Issue

Our Company has entered into Market Making Agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making for this issue:

Name	[●]
Correspondence Address:	[●]
Tel No.:	[●]
Fax No.:	[●]
E-mail:	[●]
Website:	[●]
Contact Person:	[●]

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations and the circulars issued by the NSE and SEBI regarding this matter.

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

1. The Market Maker(s) (*individually or jointly*) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (*individually or jointly*) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares

of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing two (2) way quotes.

4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five (5) Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investor.
7. 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.
8. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. 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.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving a three (3) months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our corporate office from 11.00 a.m. to 5.00 p.m. on Working Days.

11. 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.

12. 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.

13. 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)
Upto ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

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

CAPITAL STRUCTURE

Our Company's share capital, as of the date of filing this Draft Prospectus, before and after the proposed Issue, is set forth below:

(₹ in lakhs except share data)

N o.	Particulars	Nominal Value	Aggregate value at Issue Price
	Authorised Share Capital*		
	90,00,000 Equity Shares of ₹10 each	900.00	-
	Issued, Subscribed and Paid Up Capital before the Issue		
	75,42,909 Equity Shares of ₹10 each	754.29	-
	Present Issue in terms of the Draft Prospectus**		
	Offer of 23,04,000 Equity Shares of face value ₹10 each at a price of ₹ 92/- per Equity share	230.40	2119.68
	Of which:		
	Fresh Issue of 11,52,000 Equity Shares of face value of ₹10 each at a price of ₹ 92/- per Equity Share	115.20	1059.84
	Offer for Sale of 11,52,000 Equity Shares of face value of ₹10 at a price of ₹ 92/- per Equity Share		
	(i) By Srikanth Kodali up to 10,50,070 Equity Shares		
	(ii) By Radha Krishna Pinnamaneni up to 1,01,930 Equity Shares	115.20	1059.84
	Consisting:		
	Reservation to Market Maker- 1,17,600 Equity Shares of face value of ₹ 10/- each reserved as Market Maker Option at a price of ₹ 92/- per Equity Share	11.76	108.19
	Net Offer to the public- 21,86,400 Equity Shares of face value of ₹ 10/- each at a price of ₹ 92/- per Equity Share	218.64	2011.49
	Of the Net Offer to the Public		
	Allocation to Retail Individual Investors – 10,93,200 Equity Shares of face value of ₹ 10/- each at a price of ₹ 92/- per Equity Share shall be available for allocation for Investors applying for a value of upto ₹ 2 Lakhs.	109.32	1005.74
	Allocation to other than Retail Individual Investors – 10,93,200 Equity Shares of face value of ₹ 10/- each at a price of ₹ 92/- per Equity Share shall be available for allocation for Investors applying for a value of above ₹ 2 Lakhs.	109.32	1005.74
	Issued, Subscribed and Paid-up Capital after the Issue		
	86,94,909 Equity Shares of face value ₹ 10 each	869.49	7999.31
	Securities Premium Account		
	Before the Issue		--
	After the Issue		944.64

*For details of the changes in the authorized share capital of our Company, please refer to section titled "History and Certain Corporate Matters" beginning on page 129 of this Draft Prospectus.

**The Issue has been authorized by our Board pursuant to a resolution dated February 21,2018 and by our Equity Shareholders pursuant to a resolution passed at the Extra Ordinary General Meeting held on February 22,2018.

Mr. Srikanth Kodali and Mr. Radha Krishna Pinnamaneni are offering 10,50,070 and 1,01,930 Equity Shares respectively and have authorised their respective participation in offer for sale pursuant to their letters dated February 21, 2018.

Notes on Capital Structure

1. Equity Share Capital History of our Company

The following is the history of the Equity Share capital of our Company:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/Other than Cash)	Nature of allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (₹)	Cumulative Share Premium (₹)
January 31, 2009	10,000	10.00	10.00	Cash	Subscription to the Memorandum of Association ⁽¹⁾	10,000	1,00,000.00	-
March 25, 2014	4,90,000	10.00	10.00	Other than Cash	Bonus Issue ⁽²⁾	5,00,000	50,00,000.00	-
May 05, 2015	58,734	10.00	80.00	Cash	Rights Issue ⁽³⁾	5,58,734	55,87,340.00	46,98,720
December 20, 2016	8,38,101	10.00	10.00	Other than Cash	Bonus Issue ⁽⁴⁾	13,96,835	1,39,68,350.00	-
August 05, 2017	2,79,367	10.00	10.00	Other than Cash	Bonus Issue ⁽⁵⁾	16,76,202	1,67,62,020.00	-
February 22, 2018	58,66,707	10.00	10.00	Other than Cash	Bonus Issue ⁽⁶⁾	75,42,909	7,54,29,090.00	-
Total	75,42,909							

Notes:

- (1) Initial subscription to the MOA by Mr. Srikanth Kodali and Mr. Madhusudhan Amoori.
- (2) Bonus Issue of 49 equity shares for every 1 equity share held by the existing shareholders. Allotment of 4,41,000 Equity Shares to Mr. Srikanth Kodali and 49,000 Equity Shares to Mr. Radha Krishna Pinnamaneni.
- (3) Allotment of Equity Shares pursuant to the Rights Issue. Allotment of 58,734 Equity Shares to Mr. Srikanth Kodali.
- (4) Bonus Issue of 3 equity shares for every 2 equity shares held by the existing shareholders. Allotment of 7,63,101 Equity Shares to Mr. Srikanth Kodali and 75,000 Equity Shares to Mr. Radha Krishna Pinnamaneni.
- (5) Bonus Issue of 1 equity share for every 5 equity shares held by the existing shareholders. Allotment of 2,54,367 Equity Shares to Mr. Srikanth Kodali and 25,000 Equity Shares to Mr. Radha Krishna Pinnamaneni.

- (6) *Bonus Issue 3.5 equity shares for every 1 equity share held by the existing shareholders. Allotment of 53,41,707 Equity Shares to Mr. Srikanth Kodali, 3,56,755 Equity Shares to Mr. Radha Krishna Pinnamaneni, 1,25,335 Equity Shares to Ms. Kanti Kiran Doddapaneni, 7,700 Equity Shares to Mr. Chereddi Venkata Surya Sasi Kala 13,615 Equity Shares to Mr. D.Aakash Nag, 13,615 Equity Shares to Mr. Siva Bhaskara Naren Paturi, 3,885 Equity Shares to Mr. Eeswara Rao Kodali, 3,885 Equity Shares to Mr. D.Chaitanya and 210 Equity Shares to Ms. Amreen Gulnaaz*

2. Issue of Equity Shares in the last one (1) year

Our Company has made issue of specified securities at a price lower than the Issue Price during the preceding one (1) year before the date of filing of this Draft Prospectus: The Issue Price has been determined by the Company in consultation with the LM. The details are herein below:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason/ Nature of allotment	Name of Allotees
August 05, 2017	2,79,367	10.00	10.00	Bonus Issue of 1 equity share for every 5 equity shares held	Mr. Srikanth Kodali & Mr. Radha Krishna Pinnamaneni
February 22, 2018	58,66,707	10.00	10.00	Bonus Issue of 3.5 equity shares for every 1 equity share held	Mr. Srikanth Kodali, Mr. Radha Krishna Pinnamaneni, Mrs. Kanti Kiran Doddapaneni, Mrs. Chereddi Venkata Surya Sasi Kala, Mr. D.Aakash Nag, Mr. Paturi Siva Bhaskara Naren, Eeswara Rao Kodali, Mr. D.Chaitanya and Ms. Amreen Gulnaaz.

3. Our Company has not issued any Equity Shares out of revaluation reserves.

4. Equity Shares issued for consideration other than cash

Other than as set out below, our Company has made no other issues of Equity Shares for consideration other than cash as on the date of this Draft Prospectus:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason/ Nature of allotment	Name of Allotees
March 25, 2014	4,90,000	10.00	10.00	Bonus Issue of 49 equity shares for every 1 equity share held	Srikanth Kodali & Radha Krishna Pinnamaneni
December 20, 2016	8,38,101	10.00	10.00	Bonus Issue of 3 equity shares for every 2 equity shares held	Srikanth Kodali & Radha Krishna Pinnamaneni

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason/ Nature of allotment	Name of Allottees
August 05, 2017	2,79,367	10.00	10.00	Bonus Issue of 1 equity share for every 5 equity shares held	Srikanth Kodali & Radha Krishna Pinnamaneni
February 22, 2018	58,66,707	10.00	10.00	Bonus Issue of 3.5 equity shares for every 1 equity share held	<i>Srikanth Kodali, Radha Krishna Pinnamaneni, Kanti Kiran Doddapaneni, Cherreddi Venkata Surya Sasi Kala, D.Aakash Nag, Mr. Siva Bhaskara Naren Paturi, Eeswara Rao Kodali, D.Chaitanya and Ms. Amreen Gulnaaz.</i>

5. Build-up of our Promoters' Shareholding, Promoters' Contribution and Lock-in

(a) Build-up of our Promoters' shareholding in our Company

Our Promoters are Mr. Srikanth Kodali and Mr. Radha Krishna Pinnamaneni. As on the date of this Draft Prospectus, our Promoters hold 73,26,594 Equity Shares, which constitutes approximately 97.13% of the issued, subscribed and paid-up Equity Share capital of our Company, out of which 38,46,884 Equity Shares are pledged.

Set forth below is the build-up of the equity shareholding of our Promoters, since the incorporation of our Company.

i) Mr. Srikanth Kodali (*Promoter Selling Shareholder*)

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Nature of Considera tion (Cash/ Other than Cash)	Nature of transaction	% of pre- Issue equity share capital	% of post- Issue equity share capital	Pledged (Y/N)	Lock in Shares
January 31, 2009	6000	10.00	10.00	Cash	Subscription to the Memorandum of Association	0.08	-	-	NA
October 31, 2011	3000	10.00	10.00	Cash	Transfer of Equity Shares	0.04	-	-	NA
March 25, 2014	441000	10.00	10.00	Other than Cash	Bonus Issue	5.85	-	-	NA
May 05, 2015	58734	10.00	80.00	Cash	Rights Issue	0.78	-	-	NA
December 20, 2016	541336	10.00	10.00	Other Than Cash	Bonus Issue	10.12	2.55	No	NA
	221765							3 Years	
August 05, 2017	29367	10.00	10.00	Other than Cash	Bonus Issue	3.37	2.93	Yes	1 Years
	225000							No	3 Years
February 22, 2018	3846884	10.00	10.00	Other than Cash	Bonus Issue	70.82	61.43	Yes	1 Years
	587520							No	
	936670							No	3 Years
Total	68,67,909					91.06	66.91		

*Out of total holdings of Mr. Srikanth Kodali, shares aggregating to 10,50,070 Equity Shares are offered for sale through this Draft Prospectus.

ii) **Radha Krishna Pinnamaneni (Promoter Selling Shareholder)**

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of transaction	% of pre- Issue equity share capital	% of post- Issue equity share capital	Pledged Shares	Lock in Shares
October 31, 2011	1,000	10.00	10.00	Cash	Transfer of Equity Shares	0.01	-	-	NA
March 25, 2014	49,000	10.00	10.00	Other than Cash	Bonus Issue	0.65	-	-	NA
December 20, 2016	75,000	10.00	10.00	Other than Cash	Bonus Issue	1.00	-	-	NA
August 05,2017	25,000	10.00	10.00	Other than Cash	Bonus Issue	0.33	-	-	NA
August 05,2017	(48,070)	10.00	70.00	Cash	Transfer of Equity Shares	0.64	0.55	-	NA
February 22, 2018	3,56,755	10.00	10.00	Other than Cash	Bonus Issue	4.73	4.10	-	3 Years
Total	4,58,685					7.36	4.65		

*Out of total holdings of Mr. Radha Krishna Pinnamaneni, shares aggregating to 1,01,930 Equity Shares are offered for sale through this Draft Prospectus.

All the Equity Shares held by our Promoters were fully paid-up as on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the LM that the Equity Shares held by our Promoters had been financed from their personal funds, as the case may be, and no loans or financial assistance from any bank or financial institution had been availed of by them for such purpose.

As on the date of this Draft Prospectus, our Company has not issued any preference shares to our Promoters.

(b) Shareholding of our Promoters & Promoter Group

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

Particulars	Pre-Issue		Post-Issue*	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Mr. Srikanth Kodali	68,67,909	91.05	58,17,839	66.91
Mr. Radha Krishna Pinnamaneni	4,58,685	6.08	3,56,755	4.10
Mrs. Kanti Kiran Doddapaneni	1,61,145	2.14	1,61,145	1.85
Total	74,87,739	99.27	63,35,739	72.87

*Assuming full subscription to the Issue.

Note: The Company undertakes that all Equity Shares held by our Promoters shall be in dematerialized form prior to the listing of Equity Shares.

(c) Details of Promoters' Contribution Locked-in for three (3) Years

Pursuant to Regulations 32 and 36 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-Issue equity share capital of our Company held by our Promoters shall be considered as the minimum Promoter's contribution and locked in for a period of three (3) years from the date of Allotment ("**Minimum Promoter's Contribution**"). The following Equity Shares held by our Promoters are eligible for inclusion in the Minimum Promoter's Contribution, in terms of Regulation 33 of the SEBI (ICDR) Regulations.

Accordingly, Equity Shares aggregating to 20.01% of the post-Issue capital of our Company, held by our Promoters shall be locked-in for a period of three (3) years from the date of Allotment in the Issue. The details of lock in are as follows:

Name of Promoter	No. of Shares Locked in	As a % of Post Offer Share Capital
Mr. Srikanth Kodali	13,83,435	15.91
Mr. Radha Krishna Pinnamaneni	3,56,755	4.10

For details on the build-up of the Equity Share Capital held by our Promoters, please refer to "Build-up of our Promoter's shareholding in our Company" in section titled Capital Structure beginning on page 57 of this Draft Prospectus.

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20.01% of the fully diluted post-Issue Equity Share capital of our Company as Minimum Promoter's Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Draft Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations.

The minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons identified as "promoter" under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoter's Contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this regard, we confirm that:

- (i) the Equity Shares offered as part of the Minimum Promoters' Contribution do not comprise Equity Shares acquired during the three (3) years preceding the date of this Draft Prospectus for consideration

other than cash and where revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Minimum Promoters' Contribution;

- (ii) the Minimum Promoters' Contribution does not include Equity Shares acquired during the one (1) year preceding the date of this Draft Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (iii) our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the one (1) year immediately preceding the date of this Draft Prospectus pursuant to conversion of a partnership firm; and
- (iv) the Equity Shares held by our Promoters and offered as part of the Minimum Promoters' Contribution are not subject to any pledge.

(d) Details of Equity Shares Locked-in for One (1) Year

In terms of Regulation 37 of the SEBI (ICDR) Regulations, the entire pre-Issue Equity Share capital will be locked-in for a period of one (1) year from the date of Allotment in the Issue, except (a) the Minimum Promoters' Contribution which shall be locked in as above.

(e) Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters and locked-in for one (1) year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Minimum Promoters' Contribution for three (3) years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters may be transferred between our Promoters and Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "*Takeover Regulations*").

Further, in terms of Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of one (1) year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

6. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft Prospectus.

(Face value of Equity Shares of ₹ 10 each)														
Category (I)	Category of shareholder (II)	Nos. of share	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underwriting Depository Receipts (VI)	Total nos. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights (VI)	Number of Voting Rights held in each class of securities (IX)	No. of Underlying convertible securities	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares **	Number of Shares pledged or otherwise encumbered (XIII)	Number of equity shares held dematerialized (XIV) ***
		(III)	(IV)	(V)	(VII) = (IV)+(V)+(VI)	(VII) = (IV)+(V)+(VI)	(VII) = (IV)+(V)+(VI)	(VII) = (IV)+(V)+(VI)	(VII) = (IV)+(V)+(VI)	(VII) = (IV)+(V)+(VI)	(VII) = (IV)+(V)+(VI)	(VII) = (IV)+(V)+(VI)	(VII) = (IV)+(V)+(VI)	
(A)	Promoter & Promoter Group	3	74,87,739	-	-	74,87,739	99.27	74,87,739	99.27	-	-	-	38,64,884	[●]
(B)	Public	6	55,170	-	-	55,170	0.73	55,170	0.73	-	-	-	-	[●]
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	9	75,42,909	-	-	75,42,909	100	75,42,909	100	-	-	-	38,64,884	-

**All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on NSE EMERGE

***In terms of SEBI Listing Regulations, our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoter Group shall be dematerialized prior to listing of Equity shares

Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing of its Equity Shares on the Stock Exchange. Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares.

7. The LM and their respective associates do not hold any Equity Shares as on the date of this Draft Prospectus.
8. The LM and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial, banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
9. The Average cost of Acquisition of equity shares by our promoters is as below:

Name of Promoter	Number of Shares	Average cost of Acquisition (in Rs)
Mr. Srikanth Kodali	68,67,909	0.70
Mr. Radha Krishna Pinnamaneni	4,58,685	NA

10. Except as mentioned below, none of the Directors hold Equity Shares in our Company as on the date of this Draft Prospectus:

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Mr. Srikanth Kodali	68,67,909	91.05	58,17,839	66.91
Mr. Radha Krishna Pinnamaneni	4,58,685	6.08	3,56,755	4.10
Mr. Kanti Kiran Doddapaneni	1,61,145	2.14	1,61,145	1.85
Total	74,87,739	99.27	63,35,739	72.87

11. Except as mentioned below, none of the Key Managerial Personnel hold Equity Shares in our Company as on the date of this Draft Prospectus:

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Mr. Srikanth Kodali	68,67,909	91.05	58,17,839	66.91
Mr. Kanti Kiran Doddapaneni	1,61,145	2.14	1,61,145	1.85
Ms. Amreen Gulnaaz	270	Negligible	270	Negligible
Total	70,29,324	93.19	59,79,254	68.76

12. As on the date of this Draft Prospectus, our Company has nine (9) shareholders.

13. Top Ten Shareholders of our Company

a. The top nine (9) shareholders of our Company as of the date of the filing of the Draft Prospectus with SEBI are as follows:

No.	Name of the Shareholder	Number of Equity Shares
1.	Mr. Srikanth Kodali	68,67,909
2.	Mr. Radha Krishna Pinnamaneni	4,58,685
3.	Ms. Kanti Kiran Doddapaneni	1,61,145
4.	Ms. Chereddi Venkata Surya Sasi Kala	9900
5.	Mr. D.Aakash Nag	17,505
6.	Mr. Siva Bhaskara Naren Paturi	17,505
7.	Mr. Eeswara Rao Kodali	4,995
8.	Mr. D.Chaitanya	4,995
9.	Ms. Amreen Gulnaaz	270
Total		75,42,909

b. The top nine (9) shareholders of our Company as of ten (10) days prior to the filing of the Draft Prospectus with SEBI are as follows:

No.	Name of the Shareholder	Number of Equity Shares
1.	Mr. Srikanth Kodali	68,67,909
2.	Mr. Radha Krishna Pinnamaneni	4,58,685
3.	Ms. Kanti Kiran Doddapaneni	1,61,145
4.	Ms. Chereddi Venkata Surya Sasi Kala	9900
5.	Mr. D.Aakash Nag	17,505
6.	Mr. Siva Bhaskara Naren Paturi	17,505
7.	Mr. Eeswara Rao Kodali	4,995
8.	Mr. D.Chaitanya	4,995
9.	Ms. Amreen Gulnaaz	270
Total		Total

c. The top two (2) shareholders of our Company as of two (2) years prior to the filing of the Draft Prospectus with SEBI are as follows:

No.	Name of the Shareholder	Number of Equity Shares
1.	Mr. Srikanth Kodali	5,08,734
2.	Mr. Radha Krishna Pinnamaneni	50,000
Total		5,58,734

14. None of our Promoters, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased, or financed the sale or purchase of, Equity Shares by any other person, other than in the normal course of business of the financing entity, during the six (6) months immediately preceding the date of this Draft Prospectus.
15. Our Company, our Promoters, members of our Promoter Group, our Directors and the LM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares being offered through this Issue from any person.

16. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder/ investor for making a Bid. Further, no payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Issue.
17. As on the date of this Draft Prospectus 38,46,884 Equity Shares held by our Promoter, Mr. Srikant Kodali are pledged with National Skill Development Corporation (NSDC).
18. Under-subscription, if any, in any category, except the QIB 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 LM and the Designated Stock Exchange.
19. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus.
20. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Prospectus.
21. As on the date of this Draft Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.
22. There will be no further issue of Equity Shares 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 filing of the Draft Prospectus with SEBI until the Equity Shares have been listed on the Stock exchange or all application monies have been refunded, as the case may be.
23. Our Company presently does not intend or propose to alter the capital structure for a period of six (6) months from the Offer Opening Date, 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 for, directly or indirectly into Equity Shares*), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity through issue of further Equity Shares.
24. None of our Promoters or the members of our Promoter Group will participate in the Issue.
25. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
26. There has been no financing arrangement whereby our Promoters, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of this Draft Prospectus.
27. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and the Promoter Group during the period between the date of registering the Prospectus filed in relation to this Offer with the RoC and the date of closure of the Issue shall be reported to the Stock exchange within twenty-four (24) hours of the transactions.

28. Our Company has not revalued its assets since incorporation.

An Applicant cannot make an application exceeding the number of Equity Shares offered through this Offer and subject to the investment limits or maximum number of Equity Shares that can be held by them under applicable law. For further information, please refer to section titled "Issue Procedure", beginning on page 233 of this "Draft Prospectus".

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue of 11,52,000 Equity Shares and Offer for Sale by the Selling Shareholders of 11,52,000 Equity Shares of our Company at an Offer Price of ₹92 per Equity Share. Collectively, Offer for Sale & Fresh Issue of Equity Shares are referred to as the “Offer” which amounts to 23,04,000 Equity Shares.

Offer for Sale

The proceeds of the Offer for Sale shall be received by the Selling Shareholders only and our Company will receive proceeds from the fresh issue of equity shares. All expenses in relation to the Offer other than listing fees (which shall be borne by our Company) shall be shared between our Company and the Selling Shareholders in accordance with applicable laws. Each Selling Shareholders shall reimburse our Company for all expenses incurred by our Company in relation to the Offer for Sale on behalf of such Selling Shareholders

Fresh Issue

Our Company proposes to utilize the Proceeds from the Fresh Issue towards the following objects to:

1. Part finance working capital requirements of the Company;
2. Part repayment of Unsecured Loans;
3. Meet General Corporate Purposes;
4. Meet Offer Expenses.

Further, our Company expects that the listing of the Equity Shares will enhance our visibility, corporate image and our brand image among our existing and potential clients.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Offer. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

The Company plans to utilize the Proceeds of the Fresh Issue, in the following manner:

Sr. No.	Particulars	Amount (₹ In Lakhs)
1	Part Finance Working Capital Requirements	660.75
2	Part repayment of Unsecured Loans	200.00
3	Meet General Corporate Purposes	[●]
4	Meet Issue Expenses	[●]
	Total	1,059.84

Means of Finance

Particulars	Amount (₹ In Lakhs)
Proceeds from the Offer	1,059.84
Less: Issue Expenses	[●]
Total	[●]

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue and internal accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

The estimations are arrived taking into account various factors relating to the business of the Company such as industry, terms and conditions of Unsecured Lenders, Government Policies and present business

environment. Any change in such factors may require to reschedule/ revise the planned expenditure by way of increasing or decreasing the allocation for a particular purpose from the planned expenditure.

The amounts are based on our management's current estimates of the amounts to be utilized towards the respective objects. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time, and consequently, our funding requirement and deployment of funds may also change. In accordance with the policies of our Board, our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Details of the objects of the Offer:

1. To part finance the working capital requirement

Our business is working capital intensive. Our working capital requirements are being financed from bank and financial institution and also internal accruals and other sources like unsecured loans.

As on March 31, 2016 and March, 2017 Our Company net working capital consisted of Rs. 1305.49 Lakhs and ₹ 1231.51 Lakhs respectively, based on the restated financial statements.

The details of our Company working capital requirement are based on restated financial statement as at March 2017 and as projected & estimated for FY 2018 & 2019 respectively are as under:

Particulars	2016- 2017	2017-2018 (estimated)	Amount (₹ in Lakhs) 2018-2019 (projected)
Current Assets			
Cash & Cash Equivalents	386.46	378.28	472.85
Short Term Loans & Advances	51.52	54.14	67.68
Trade Receivables	1,705.56	2,314.79	3,090.00
Inventories	12.85	18.11	22.56
Other Current Assets	290.98	724.20	902.28
Total (A)	2,447.37	3,489.52	4,555.36
Current Liabilities			
Trade Payables	93.78	120.70	150.38
Other Current Liabilities	1120.87	1,327.70	1,503.80
Statutory Liabilities & Provisions	0.22	301.75	375.95
Total (B)	1214.86	1,750.15	2,030.13
Net Working Capital (A)-(B)	1231.51	1,739.37	2,525.23
Sources of Working Capital			
Fund Based Borrowings	586.23	1,200.00	1,200.00
IPO Proceeds	-	-	660.75
Net Worth / Internal Accruals/ Borrowings	645.28	539.37	664.48

The total working capital requirements for the Year ended March 2018 and March 2019 are expected to be ₹ 1739.37 lakhs and ₹ 2525.23 lakhs respectively. The incremental working capital requirement for the year ending March 31, 2019 will be ₹785.86 lakhs, which will be met through the net proceeds to the extent of ₹660.75 Lakhs and the balance portion will be met through fund based borrowings and internal accruals.

The Company's turnover and operations have been increasing for last 5 years by way of increase in number of customers and employees/manpower ; this has led to an increase in the Working Capital requirement of business to achieve estimated and projected turnover.

Our Company has been sanctioned working capital facilities from Banks and financial institutions amounting to ₹1200 Lakhs. For further details please refer chapter titled “Financial Indebtedness” beginning on page 198.

Assumption for working capital requirements (In No. of Days)

Particulars	Holding level as on 31 March 2017-2018 (Estimated)	Holding level as on 31 March 2018-2019 (Projected)
Current Assets		
Trade Receivables	70	75
Inventories	30	30
Current Liabilities		
Trade Payables	44	40

Justification for “Holding Period” levels:

The justifications for the holding levels mentioned in the table above are provided below:

Assets- Current Assets	
Trade Receivables	Debtor Holding period is 70 days in F.Y. 2017-2018 which may increase slightly higher to 75 days in FY 2018-19. Since the Company is dealing with public as well as private organisations, it takes time to realise the debtors as per industry practice.
Inventories	Our inventories primarily consist of uniforms of employees, Housekeeping consumable materials, tools and spares etc . The inventory holding level in F.Y. 2017-18 as well as in F.Y. 2018-19 is estimated and projected, to be the same, i.e. at 30 days of the total consumption.
Liabilities- Current Liabilities	
Trade Payables	The credit period in F.Y. 2017-18 is 44 days which may decrease to 40 days in FY 2018-19 which is in-line with general industry and business norms .

The working capital projections as approved by the Board by the resolution dated February 22, 2018.

Basis Of Estimation

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in FY 2018-19 considering the growth in activities of our Company and in line with norms generally accepted by banker(s).

2. Part repayment of Unsecured Loans

We, intend to utilize the issue Proceeds amount of ₹ 200 Lakhs for part repayment of unsecured loans as per following table:

Financial Institution (Lender)	Sanctioned Amount (₹ in Lakhs)	Rate of Interest	Outstanding amount as on February 28, 2018 (₹ in Lakhs)	Purpose	Repayment of Issue Proceeds
[●]	[●]	[●] %	[●]	Unsecured Loan	[●]
[●]	[●]	[●] %	[●]	Unsecured Loan	[●]
Total			[●]		200.00

3. Meet General Corporate Purposes

Our management in accordance with the policy of our board will have flexibility in utilizing the proceeds earmarked for general corporate purpose. Subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with the SEBI Regulations.

In accordance with the policies setup by our board, we have flexibility in applying the remaining proceeds after meeting issue expenses for general corporate purpose including but not restricted to, meeting operating expenses, 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 purpose as approved by our board of Directors, subject to compliance with the necessary provisions of the Companies Act.

4. Meet Offer Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, auditors' fees, printing and distribution expenses, advertisement expenses, marketing expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated at ₹ [●] Lakhs out of which the Company's portion is estimated at ₹ [●] Lakhs.

(₹ in Lakhs)

Nature of Expenses	Total Offer Expenses including portion of Expenses of Offer for sale shares	Company's Portion of Expenses	Company's Expenses (% of total Issue Expenses)	Expenses (% of Issue Size)
Payment to Merchant Banker, Legal Advisors including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Market Makers, Bankers etc.	[●]	[●]	[●]	[●]
Regulatory Fees & Other Expenses	[●]	[●]	[●]	[●]
Underwriting, Marketing expenses, Selling Commission and other expenses	[●]	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]	[●]

*Will be disclosed in the Prospectus

Schedule of Implementation & Deployment of Funds

Our Company proposes to deploy the issue proceeds immediately on completion of the IPO and the same is expected to be completed by FY 2018-19.

Details of Funds already deployed till date and sources of funds deployed

The funds deployed up to February 28, 2018 pursuant to the object of this Issue as certified by the auditor of our Company, M/s. NVSR & Associates LLP , Chartered Accountants, pursuant to their Certificate dated February 28, 2018 is given below:

(₹ in lakhs)

Deployment of Funds	Amount
Issue of Expenses	8.90

Appraisal By Appraising Agency

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

Interim Use Of Funds

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

Bridge Financing Facilities

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

Monitoring Utilization Of Funds

As the Offer Size does not exceed ₹ 10,000 Lakhs, the appointment of a monitoring agency as per Regulation 16 of the SEBI ICDR Regulations is not required. As required under the SEBI Listing Regulations, the Audit Committee appointed by our Board will monitor the utilisation of the Offer proceeds. We will disclose the utilisation of the proceeds of the Offer, including interim use, under a separate head in our quarterly/half yearly financial disclosures and annual audited financial statements until the Issue Proceeds remain unutilised, to the extent required under the applicable law and regulation. We will indicate investments, if any, of unutilised proceeds of the Offer in our Balance Sheet for the relevant Financial Years subsequent to listing of our Equity Shares on the EMERGE Platform of NSE.

Pursuant to SEBI Listing Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and applications of the proceeds of the Offer. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Offer have been utilised in full. The statement shall be certified by the statutory auditors of our Company.

Except the proceeds on sale of shares being offered by both the promoters to the extent of ₹ 1059.84 Lakhs no part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or companies promoted by the Promoters, except as may be required in the usual course of business.

Variation In Objects

In accordance with Section 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rule. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters 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. Investor may note that the Selling Shareholder are not liable under

Section 27 of the Companies Act or any other applicable law or regulation (including any direction or order by any regulatory authority, court or tribunal) for any variation of (i) terms of the contract referred to in this Prospectus and /or (ii) Object of the Offer.

Basic terms of the issue

The Equity shares being offered are subject to the provision of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this offer document and other terms and conditions as may be incorporated in the Allotment advice and other documents /certificates that may be executed in respect of the issue. The Equity shares shall also be subjected 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, Government of India, RBI, ROC and /or other authorities as in force on the date of issue and to the extent applicable.

BASIS FOR OFFER PRICE

The Offer Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Offer Price is ₹ 92 per Equity Shares and is 9.2 times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on page nos. 17, 156 and 99 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

Some of the qualitative factors, which form the basis for computing the price, are:

- Experienced Promoter and proficient management team
- Customised service offering for various requirements of the customers
- Long standing relationship with our customers
- Systematic Network
- Dedicated facilities for training and imparting skills

For further details, refer to heading “Our Competitive Strengths” under section titled “*Our Business*” beginning on page 99 of this Draft Prospectus.

Quantitative Factors

The information presented below relating to the Company is based on the restated financial statements of the Company for the Period ended December 31, 2017 and Financial Years 2017, 2016, 2015 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis or computing the price, are as follows:

1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

Year Ended	Basic & Diluted EPS (₹)*	Weight
March 31, 2017	4.06	3
March 31, 2016	3.18	2
March 31, 2015	2.96	1
Weighted Average	3.58	-
December 31, 2017	5.80	-

Notes:

Ratios have been calculated as below:	
Basic Earnings Per Share (EPS) (₹)	Restated Profit after excluding Extra-ordinary items
	Equivalent Weighted Average No. of outstanding shares)
Diluted Earnings Per Share (EPS) (₹)	Restated Profit after excluding Extra-ordinary items
	Equivalent Weighted Average No. of outstanding shares)

1. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006
2. As per the Standard , in the case of bonus issues, the number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. Accordingly the EPS is calculated by adjusting

the number of shares proportionately taking issue of Bonus shares into consideration at the beginning of the earlier reporting periods.

3. The face value per equity share is ₹10.
4. Figures for the period ended December 31, 2017 are not annualized

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 92 per Equity Share of ₹ 10 each fully paid up

Particulars	P/E Ratio
P/E ratio based on Basic & Diluted EPS for FY 2016-17	22.66
P/E ratio based on Weighted Average Basic & Diluted EPS for FY 2016-17, FY 2015-16 and FY 2014-15	25.70
*Industry P/E	
Highest	109.01
Lowest	88.94
Average	98.97

* Industry comprises of Quess Corp Limited and Security and Intelligence Services India Limited

@ Based on the outstanding capital as on the date of December 31, 2017 i.e. before Bonus issue given on February 22, 2018.

3. Return on Net worth (RoNW)

Return on Net Worth (RoNW) as per restated financial statements.

Year Ended	RONW (%)	Weight
March 31, 2017	29.32	3
March 31, 2016	29.32	2
March 31, 2015	42.59	1
Weighted Average	31.53	-
December 31, 2017*	29.56	-

*Not Annualised

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

$$RONW = \frac{\text{Net profit / loss after tax, as restated}}{\text{Networth excluding preference share capital and revaluation reserve}}$$

4. Minimum Return on Net Worth after Offer needed to maintain the Pre-Offer Basic and Diluted EPS for the year ended March 31, 2018 (based on Restated Financials) at the Offer Price of ₹ 92 is 13.89%.

5. Net Asset Value (NAV)

Particulars	Amount (in ₹)
Net Asset Value per Equity Share as of March 31, 2017	16.60
Net Asset Value per Equity Share as of December 31, 2017	19.64
Net Asset Value per Equity Share after the Issue	29.22
Issue Price per equity share	92

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year.

Total no of shares taken to calculate the NAV is after taking into consideration Bonus

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

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year / period}}$$

6. Comparison with industry peers

Particulars	Face Value (In ₹)	EPS (In ₹)		P/E Ratio	RONW (%)	NAV (In ₹)
		Basic	Diluted			
Kapston Facilities Management Limited	10.00	4.06	4.06	22.66	29.32	16.60
<i>Industry Peers</i>						
Quess Corp Limited	10.00	9.24	9.10	109.01	11.38	62.50
Security and Intelligence Services India Ltd	10.00	13.19	12.93	88.94	15.49	24.94

Notes:

1. Considering the nature of business of the company, the peers are not strictly comparable. However, above companies have been included for broad comparison.
2. The figures for the industry peers are based on the financial results for the year ended March 31, 2017.
3. P/E ratio has been computed as the current market price of the companies sourced from the BSE website as on March 01, 2018 as divided by their respective consolidated diluted EPS of financial year 2016-2017.
4. Networth for the companies has been computed as sum of issued, subscribed and paid-up share capital and reserved & surplus.
5. Net Asset Value is computed as Networth of the Companies as at March 31, 2017, divided by the closing outstanding number of fully paid-up equity shares as sourced from the shareholding pattern as on March 31, 2017 filed with stock exchange.
6. The Issue Price of Kapston Facilities Management Limited is ₹ 92 per Equity Share has been determined by the company in consultation with the Lead Managers and is justified based on the above accounting ratios. Kapston Facilities Management Limited is fixed price issue for the same shall be published 3 working days before opening of the issue in English and Hindi National newspapers and one regional newspaper with wide circulation.

For further details, see section titled “Risk Factors” beginning on page 17 and the financials of the Company including profitability and return ratios, as set out in the section titled “Financial Statements” beginning on page 156 of this Draft Prospectus for a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors,
No.287, MIG-2, IX PHASE
KPHB, Kukatpally
Hyderabad -500072
Dear Sir,

Sub: Statement of possible Tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws.

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

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

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

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws. The same shall be subject to notes annexed.

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

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

For M/s NSVR & Associates LLP
(Formerly Known as Nekkanti Srinivasu & Co.)
Chartered Accountants
Firm Registration No.08801S/S200060

Sd/-
Mr.V.Gangadhara Rao.N
Partner
Membership No.219486

Place: Hyderabad
Date: February 22, 2018

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO KAPSTON FACILITIES MANAGEMENT LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2017-18.

BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

A. SPECIAL TAX BENEFITS TO THE COMPANY

In accordance with section 80 JJAA, the company can claim, subject to fulfilment of certain conditions, the amount of a deduction of 30% is allowed in addition to normal deduction of 100% in respect of emoluments paid to eligible new employees who have been employed for a minimum period of 240 days during the year for a period of three years.

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

For M/s NSVR & Associates LLP

(Formerly Known as Nekkanti Srinivasu & Co.)

Chartered Accountants

Firm Registration No.08801S/S200060

Sd/-

Mr.V.Gangadhara Rao.N

Partner

Membership No.219486

Place: Hyderabad

Date: February 22, 2018

SECTION IV: ABOUT THE COMPANY AND THE INDUSTRY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 17 and 156 Draft Prospectus.

Our Company falls under the Security & Facility Management Sector and further under the Service Industry. The analysis of the Sector and Industry may be approached by analysing both, the domestic as well as the global markets. The broad view of our Industry shall consist of analysis of the Service Industry at the preface followed by the Security & Facility Management Sector.

BACKGROUND OF SERVICE INDUSTRY

The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment flows, contributed significantly to exports as well as provided large-scale employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction.

The services sector is the key driver of India's economic growth. The sector contributed around 53.8 per cent of its Gross Value Added in 2016-17 and employed 28.6 per cent of the total population. Net services exports from India grew 14.6 per cent in the first half of 2017-18 and the sector attracted 60.7 per cent of India's total FDI inflows.

India's score in the Nikkei/IHS Markit Services Purchasing Managers Index grew from 45.90 in July 2017 to 50.90 in December 2017, supported by growth in the growth in Information & Communications and Finance & Insurance. As per the Economic Survey 2017-18, Central Statistics Office's (CSO) first advance estimates of Gross Value Added (GVA) in FY 2017-18 indicate that the services sector is expected to grow 8.3 per cent year-on-year.

According to a report called ‘The India Opportunity’ by leading research firm Market Research Store, the Indian mobile services market is expected to reach \$37 billion in 2017 and grow by 10.3 per cent year-on-year to reach US\$ 103.9 billion by 2020. Out of overall services sector, the sub-sector comprising financial services, real estate and professional services contributed US\$ 305.8 billion or 20.5 per cent to the GDP. The sub-sector of community, social and personal services contributed US\$ 188.2 billion or 12.6 per cent to the GDP.

(Source: www.ibef.org/industry/services.aspx)

BACKGROUND OF SECURITY SECTOR

The security industry is a large and expanding area of the economy with an estimated global market worth of 173 billion USD. The private security industry in India, valued at 570 billion INR is also promising. The Indian industry is still nascent and is likely to see exponential growth both in terms of manpower employed and market share due to rapid infrastructural and economic development, leading to an increased need for prevention, detection and protection of assets and citizens against criminal acts such as fraud, terrorism, theft, drug-related offences and violent crimes.

Yet another factor adding to the demand is the increase in individuals joining the billionaire league and seeking private protection at all times. The private security industry is one of the largest employers in India and is continuously growing. The private security industry is amongst the largest employers in India, employing almost 8.5 million people and has the potential to employ 3 million more people by 2020.

Manned guarding continues to be the service line with maximum employment and is also the highest revenue generator for the private security industry, contributing to 80 per cent of the revenue, followed by cash services. With a high level of advancements in technology, services like electronic security services, integrated facility management and security architecture and engineering will see greater prominence in the time to come. This not only has the potential to improve the quality of services offered by security companies but may also prove to be a boon for the large workforce who will have the opportunity to up-skill themselves and progress to engaging employment conditions.

Government policies are changing the game quickly with important decisions being taken to overcome challenges such as revision in foreign direct investment (FDI) rates, recategorisation of security workers and modification in the minimum wages. However, the industry stakeholders are still of the view that more changes at the policy level and improved enforcement could help private security grow further and make the sector more viable for investments. Some key suggestions are creating a grading framework for private security players in the market and having a single window licence process.

The 570 billion INR private security industry in India is likely to witness rapid expansion, with the market share going up to 990 billion INR by 2020. Government policies like making guards in schools and ATMs mandatory and mandatory installation of CCTV cameras at various locations have also accelerated the demand for private security guards in the country. Considering the growing demand for security services, security firms in India are seeking capital to expand their business. Some international players are also foraying into India to tap the potential of the industry. Growth drivers Growth in security solutions and electronic security devices Rapid infrastructure development Increase in crime rate Low police to citizen ratio Policy reform Demographic characteristics India's competitive advantage has been its competitive wage structure and availability of manpower.

A large number of youth within the age group of 15–19 fall below the poverty line as they drop out of formal education and have limited avenues for employment. Key regions from where manpower is sourced include Bihar, Uttar Pradesh, Jharkhand, Madhya Pradesh, Rajasthan and Assam. Most of these resources come to urban cities in search of better employment opportunities. The youth from urban cities, though, associate the security industry with low aspirational value owing to lack of social security schemes, long working hours and poor working conditions. However, the private security industry continues to be one of the largest employers in India. Over 90 per cent of this workforce consists of security guards who are at the base of the pyramid, with little to no relevant experience or expertise. Most individuals come in search of employment to urban centres and resort to working as security guards as the last option. India has the world's largest number of private security workers, industry to double by 2020. Stakeholders are of the opinion that more changes need to be brought in to make the sector more streamlined and profitable.

Growth drivers

Growth in security solutions and electronic security devices

Rapid infrastructure development

Increase in crime rate

Low police to citizen ratio

Policy reform

(Source: <http://ficci.in/spdocument/20966/FICCI-PwC-Report-on-Private-Security-Industry.pdf>)

BACKGROUND OF FACILITY MANAGEMENT SECTOR

From ancient times, owners of large properties have often found it useful to employ managers to run the daily business matters of their estates. The lord of the manor sometimes was away fighting a war, sometimes held too much property to manage properly on his own, or sometimes was not interested in this responsibility or too incompetent to handle these matters by himself. In medieval England, the person managing the estate was known as a reeve, and one appears in Chaucer's *The Canterbury Tales*. The poet describes him as highly efficient, knowing exactly what harvests and livestock production the estate yields in all seasons, and sophisticated in negotiations—all skills that are still prized in facilities managers. One quality Chaucer mentions, never being in debt, is no longer desirable, because nowadays a facilities manager needs to know how to use credit effectively.

In the 20th century, facilities of all kinds—factories, stores, office buildings, hospitals, government buildings, stadiums, hotels, apartment buildings, and so forth—became increasingly complex, with dedicated staff, procedures, and systems to provide vital functions such as heat, ventilation, water, waste removal, lighting, and security. It no longer was practical for a manager who was responsible for the activities within a facility—a retail manager, an office manager, a hotel manager, and so forth—to handle the day-to-day management of the facility itself. As a result, facilities management became an industry in its own right.

Facilities management is a field that blends business management, architecture, engineering, and (increasingly) information technology. It coordinates the physical workplace with the people and work within it. Although work takes place in many different kinds of facilities—including factories, office buildings, hospitals, prisons, theaters, schools, and laboratories—all facilities share the need for certain services. They all need to be secure and safe, heated in winter, cooled in summer, protected from the elements, clean, and effectively connected to the infrastructures of power, water, waste removal, information, and transportation. In a small facility, one person may ride herd on all of these duties—and, in fact, this characterizes 80 percent of the establishments in this industry—but in larger facilities or in firms that manage multiple facilities, these responsibilities often are assigned to separate managerial departments and handled by specialized workers.

The businesses that arrange for all of these needs to be met belong to the industry that the Bureau of Labor Statistics calls *facilities support services*, which employs 1,43,280 workers. The global facilities management industry generated \$28.90 in revenue in 2016, according to a report by Research and Markets.

These figures for the industry do not represent the work that goes on in the businesses housed in the facilities. For example, there are also front desk clerks in hotels, doctors and nurses in hospitals, and the cooks and servers in restaurants. There are also people who work for establishments that contract with facility management to provide support services, such as a security business that provides guards to patrol a shopping

mall at night, a plumbing business that sends someone to fix a leaky faucet in someone's apartment, or a landscaping business that provides weekly lawn mowing for an office park. People who work in facilities support services, such as administrative services managers, contract with these other kinds of businesses for such necessary tasks that keep the facility running smoothly. Their responsibility is to maintain and manage the facility.

The industry is of comparatively recent origin. It emerged because facilities operations became too complex to be managed efficiently by those running the businesses within the facilities. The key occupation that developed to manage these services, administrative services managers, now employs more than 2,87,300 workers. This figure is large because it includes some workers who manage business support functions such as mail delivery, secretarial work, and office supplies that are not considered functions of a facility but rather of businesses within the facility.

The outlook for administrative services managers, 8 percent growth through 2024, is about the same as the average for all occupations. The occupation tends to be sensitive to fluctuations in the economy. During recessions, the many small operations in this industry, in which one person manages all facilities support functions, tend to be consolidated into large firms employing managers who delegate the work to specialized departmental managers.

(Source: <http://www.vault.com/industries-professions/industries/facilities-management.aspx>)

GLOBAL ECONOMIC OVERVIEW

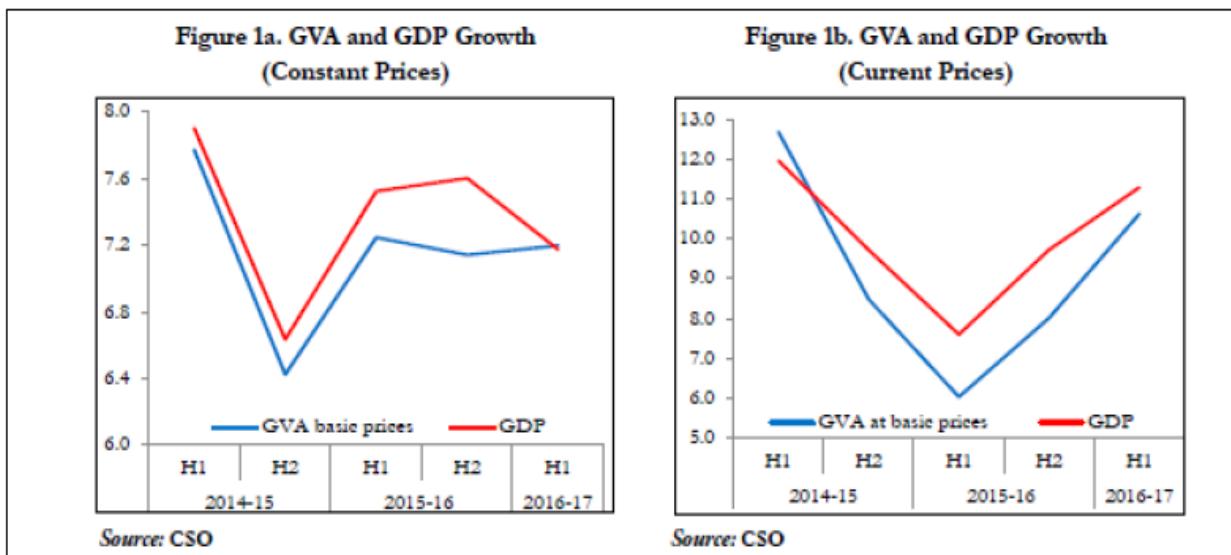
For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world's —political carrying capacity for globalization may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends—documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On, the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in

advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).



The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services—dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).

Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-)5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

External Sector

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at end-January 2016 to US\$ 360 billion at end- December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far

steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

Fiscal Position

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year.

Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments. State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2017-18

Turning to the outlook for 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government. As discussed earlier, India's exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the

monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline—and the need to be seen as doing so. Putting these factors together, we expect real GDP growth to be in the 6½ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

There are three main downside risks to the forecast. First, the extent to which the effects of demonetisation could linger into next year, especially if uncertainty remains on the policy response. Currency shortages also affect supplies of certain agricultural products, especially milk (where procurement has been low), sugar (where cane availability and drought in the southern states will restrict production), and potatoes and onions (where sowings have been low). Vigilance is essential to prevent other agricultural products becoming in 2017-18 what pulses was in 2015-16.

Second, geopolitics could take oil prices up further than forecast. The ability of shale oil production to respond quickly should contain the risks of a sharp increase, but even if prices rose merely to \$60- 65/barrel the Indian economy would nonetheless be affected by way of reduced consumption; less room for public investment; and lower corporate margins, further denting private investment. The scope for monetary easing might also narrow, if higher oil prices stoked inflationary pressure.

Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geo-politics or currency movements. This could reduce global growth and trigger capital flight from emerging markets. The one significant upside possibility is a strong rebound in global demand and hence in India's exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.

Fiscal outlook

The fiscal outlook for the central government for next year will be marked by three factors. First, the increase in the tax to GDP ratio of about 0.5 percentage points in each of the last two years, owing to the oil windfall will disappear. In fact, excise-related taxes will decline by about 0.1 percentage point of GDP, a swing of about 0.6 percentage points relative to FY2017.

Second, there will be a fiscal windfall both from the high denomination notes that are not returned to the RBI and from higher tax collections as a result of increased disclosure under the Pradhan Mantra Garib Kalyan Yojana (PMGKY). Both of these are likely to be one-off in nature, and in both cases the magnitudes are uncertain.

A third factor will be the implementation of the GST. It appears that the GST will probably be implemented later in the fiscal year. The transition to the GST is so complicated from an administrative and technology perspective that revenue collection will take some time to reach full potential. Combined with the government's commitment to compensating the states for any shortfall in their own GST collections (relative to a baseline of 14 percent increase), the outlook must be cautious with respect to revenue collections. The fiscal gains from implementing the GST and demonetisation, while almost certain to occur, will probably take time to be fully realized. In addition, muted non-tax revenues and allowances granted under the 7th Pay Commission could add to pressures on the deficit.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

The macroeconomic policy stance for 2017-18

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs—should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not necessarily to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

Fiscal policy is another potential source of policy support. This year the arguments may be slightly different from those of last year in two respects. Unlike last year, there is more cyclical weakness on account of demonetisation. Moreover, the government has acquired more credibility because of posting steady and consistent improvements in the fiscal situation for three consecutive years, the central government fiscal deficit declining from 4.5 percent of GDP in 2013-14 to 4.1 percent, 3.9 percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

One key question will be the use of the fiscal windfall (comprising the unreturned cash and additional receipts under the PMGKY) which is still uncertain. Since the windfall to the public sector is both one off and a wealth gain not an income gain, it should be deployed to strengthening the government's balance sheet rather than being used for government consumption, especially in the form of programs that create permanent entitlements. In this light, the best use of the windfall would be to create a public sector asset reconstruction company so that the twin balance sheet problem can be addressed, facilitating credit and investment revival; or toward the compensation fund for the GST that would allow the rates to be lowered and simplified; or toward debt reduction. The windfall should not influence decisions about the conduct of fiscal policy going forward.

Perhaps the most important reforms to boost growth will be structural. In addition to those spelt out in Section 1—strategic disinvestment, tax reform, subsidy rationalization—it is imperative to address directly the twin balance sheet problem. The problem is large, persistent and difficult, will not correct itself even if growth picks up and interest rates decline, and current attempts have proved grossly inadequate. It may be time to consider something like a public sector asset reconstruction company.

Another area of reform relates to labour. Given the difficulty of reforming labor laws per se, the thrust could be to move towards affording greater choice to workers which would foster competition amongst service providers. Choices would relate to: whether they want to make their own contribution to the Employees' Provident Fund Organisation (EPFO); whether the employers' contribution should go to the EPFO or the National Pension Scheme; and whether to contribute to the Employee State Insurance (ESI) or an alternative medical insurance program. At the same time, there could be a gradual move to ensure that at least compliance with the central labour laws is made paperless, presence less, and cashless. One radical idea to consider is the provision of a universal basic income.

But another more modest proposal worth embracing is procedural: a standstill on new government programs, a commitment to assess every new program only if it can be shown to demonstrably address the limitations of an existing one that is similar to the proposed one; and a commitment to evaluate and phase down existing programs that are not serving their purpose.

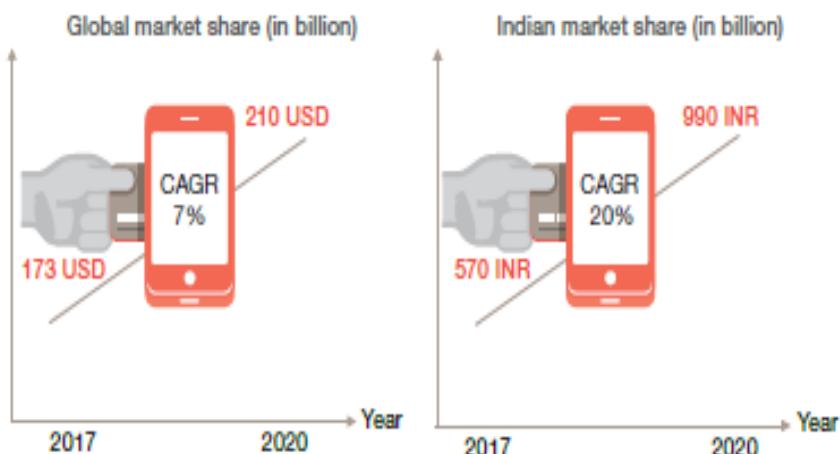
(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

Industry Size and Growth

Demand for security services across the country has grown enormously over the past 10–15 years. Going forward, by 2020, it is expected to become a 99011 billion INR industry. While the global private security services industry is expected to grow at a compound annual growth rate (CAGR) of 7 per cent, the Indian

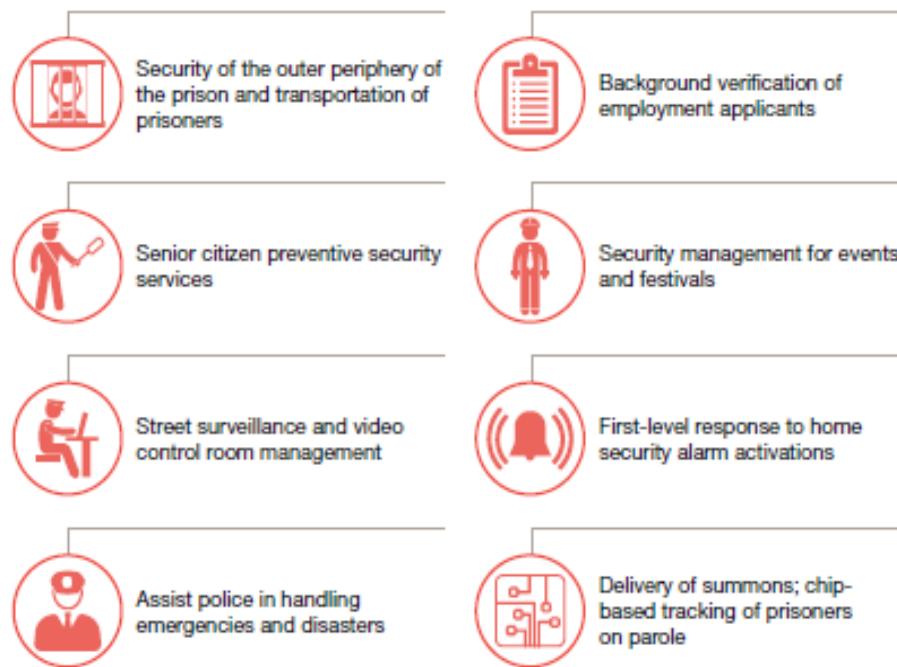
private security services industry is expected to grow much faster at 20 per cent. What's more, massive expansion in the sector is expected to create millions of jobs for the masses over the next few years. The report further states that the private security industry in the country will generate around 3 million additional jobs by 2020. Currently, around 8.5 million people are employed in this sector.

Apart from revenue growth, the private security sector is also evolving in its employment practices. Some of the leading industry players are charting new standards in the industry with their keen focus on training and skill development of their people, establishing employee welfare funds, ensuring timely payment of salaries, and defining career progression paths for high-performing employees. A few companies that value the quality of manpower are also paying security men higher than the defined minimum wages to incentivise employee retention. Certain companies with an international presence are also introducing global best practices in their Indian operations, such as on-demand continuous learning/ refresher training for their employees imparted through mobile solutions, job rotations and enhancing job definition to make the job more engaging for the individual. This sector can become the choice of the youth provided such practices are adopted as the norm rather than the exception.



The private security industry in India employs 8.5 million people as compared to police services, where a meagre 2.2 million people are employed. As per the statistics published by Bureau of Police Research and Development,¹⁴ India in 2015 had an actual police personnel to population ratio of 1:712 as against the sanctioned strength of 1 police officer for 547 people. A large workforce in the private security space can be utilised to make up for the low police to citizen ratio, with careful policy interventions to identify non-core areas of police and security functions that could be outsourced to such agencies—for example, senior citizen monitoring, outer periphery guarding of prisons and other government establishments, event security and police verification. This needs to be coupled with rigorous training and security compliances which these agencies may be asked to fulfil to get eligible for such business.

Allied police services which are globally often outsourced to private security



Comparison of private security to police¹⁵

Country	Private security	Police officers
India	76%	24%
China	65%	35%
Brazil	71%	29%
United States	58%	42%
Russia	57%	43%
South Africa	72%	28%
Japan	65%	35%
Germany	50%	50%
United Kingdom	61%	39%
Australia	68%	32%
Canada	58%	42%

Source: Derived from Forbes estimate of number of private security workers and police officers in 2017

(Source: <http://ficci.in/spdocument/20966/FICCI-PwC-Report-on-Private-Security-Industry.pdf>)

INDIAN SERVICE SECTOR

Introduction:

The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment flows, contributed significantly to exports as well as provided large-scale employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction.

Market Size:

The services sector is the key driver of India's economic growth. The sector contributed around 53.8 per cent of its Gross Value Added in 2016-17 and employed 28.6 per cent of the total population. Net services exports from India grew 14.6 per cent in the first half of 2017-18 and the sector attracted 60.7 per cent of India's total FDI inflows.

India's score in the Nikkei/IHS Markit Services Purchasing Managers Index grew from 45.90 in July 2017 to 50.90 in December 2017, supported by growth in the growth in Information & Communications and Finance & Insurance.

As per the Economic Survey 2017-18, Central Statistics Office's (CSO) first advance estimates of Gross Value Added (GVA) in FY 2017-18 indicate that the services sector is expected to grow 8.3 per cent year-on-year.

According to a report called 'The India Opportunity' by leading research firm Market Research Store, the Indian mobile services market is expected to reach \$37 billion in 2017 and grow by 10.3 per cent year-on-year to reach US\$ 103.9 billion by 2020.

Out of overall services sector, the sub-sector comprising financial services, real estate and professional services contributed US\$ 305.8 billion or 20.5 per cent to the GDP. The sub-sector of community, social and personal services contributed US\$ 188.2 billion or 12.6 per cent to the GDP.

Investments:

The Indian services sector which includes financial, banking, insurance, non-financial/business, outsourcing, research and development, courier and technical test analysis, has attracted FDI equity inflows in the period April 2000-September 2017, amounting to about US\$ 62.39 billion which is about 17.46 per cent of the total foreign inflows, according to the Department of Industrial Policy and Promotion (DIPP).

Some of the developments and major investments by companies in the services sector in the recent past are as follows:

- Private Equity (PE) investments in the hospitality industry rose nearly three-fold to US\$ 119 million in 2017 from US\$ 43.58 million in 2016. Hotel deals, including mergers and acquisitions, are expected to pick up further in 2018 as many premium hotel properties are up for sale.
- American fast food chain McDonalds is reopening 84 of its closed restaurants, increasing the total number of operational restaurants across north and east India to 169.
- National Skill Development Corporation has signed a tripartite Memorandum of Understanding (MoU) with Tourism and Hospitality Sector Skill Council (THSC) and Airbnb to impart hospitality skills training to hospitality micro-entrepreneurs in India.
- The domestic and foreign logistic companies are optimistic about prospects in the logistics sector in India, and are actively making investments plans to improve earnings and streamline operations.

(Source: www.ibef.org)

In June 2016, the government notified changes in the FDI policy with a view to making India more investor friendly and an attractive FDI destination. With these changes, 16 international companies can have majority ownership in private security firms. Earlier, FDI in the security industry was capped at 49 per cent. Even though the government has allowed 74 per cent FDI in PSAs, only 49 per cent is allowed under the automatic route, meaning no government approval is required. For foreign investment beyond 49 per cent and up to 74 per cent, government consent is a must. The change could make the sector more attractive to global security players, thus bringing in increased benchmarks of service quality, efficiency and process orientation.

Recent developments in India:

In August 2017, the leading security service provider Security and Intelligence Services (India) Ltd (SIS) was listed on the Bombay Stock Exchange and National Stock exchange after raising close to 7800 million INR from an initial public offering (IPO). Another development is the imminent entry of yoga guru Baba Ramdev's Patanjali Group into the private security business. With the tagline 'parakram suraksha, aapki raksha', the security wing of Patanjali will be known as Ramdev's Parakram Suraksha Private Limited. It plans to recruit retired army personnel, paramilitary troopers and police personnel to 'differently and professionally train' them as private security guards.

Recent global developments :

There has been some major consolidation on the security and technology fronts globally. Honeywell announced that they will be acquiring the smoke detection and security company Xtralis for 480 million USD. Honeywell saw Xtralis' systems, a leader in smoke detection products, as complementing their growing security and fire business. Earlier, Honeywell also acquired RSI Video Technologies, provider of the video intrusion detection system, for \$123 million. In 2016, a 1.3-billion USD deal was struck between Avast Software and AVG Technologies – two security vendors with a big play in security software such as anti-virus for PC and mobile devices. Avast said the acquisition will allow it to 'gain scale, technological depth and geographical breadth' which is essential to harness emerging growth opportunities in Internet security.

(Source: <http://ficci.in/spdocument/20966/FICCI-PwC-Report-on-Private-Security-Industry.pdf>)

Government Initiatives:

The Government of India recognises the importance of promoting growth in services sectors and provides several incentives in wide variety of sectors such as health care, tourism, education, engineering, communications, transportation, information technology, banking, finance, management, among others.

Prime Minister Narendra Modi has stated that India's priority will be to work towards trade facilitation agreement (TFA) for services, which is expected to help in the smooth movement of professionals.

The Government of India has adopted a few initiatives in the recent past. Some of these are as follows:

- Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Central Government increased incentives provided under Services Exports from India Scheme (SEIS) by two per cent.
- Ministry of Communications, Government of India, has launched DARPAN - "Digital Advancement of Rural Post Office for A New India" which is aimed at improving the quality of services, adding value to services and achieving "financial inclusion" of un-banked rural population.
- Software services exports from India grew 10.3 per cent year-on-year to US\$ 97.1 billion in 2016-17. The USA and Canada remained the top destinations of India's export of software services and were followed by Europe.
- Ministry of Civil Aviation, Government of India, launched 'DigiYatra', a digital platform for air travellers that aims to develop a digital ecosystem providing consistent service and a delightful experience at every touch point of the journey.
- The Ministry of Electronics and Information Technology has launched a services portal, which aims to provide seamless access to government services related to education, health, electricity, water and local services, justice and law, pensions and benefits, through a single window.
- The security sector has a direct impact on the safety of citizens and valuable assets. It is therefore important that robust regulatory mechanisms are in place to ensure the balanced growth of this industry, safeguard citizens' welfare, and provide a fair and competitive operating environment to the industry. The private security industry in India is governed by the Private Security Agencies (Regulation) Act (PSARA), 2005. The act provides for the regulation of PSAs and matters connected or incidental to the same. PSARA was enacted by the Parliament and extends to the whole of India, except the state of Jammu and Kashmir.

As per PSARA, 2005:

‘Private security’ means security provided by a person, other than a public servant, to protect or guard any person or property or both and includes provision of armoured car service.

‘Private security agency’ means a person or body of persons other than a government agency, department or organisation engaged in the business of providing private security services, including training to private security guards or their supervisor or providing private security guards to any industrial or business undertaking or a company or any other person or property.

‘Private security guard’ means a person providing private security with or without arms to another person or property or both and includes a supervisor.

The act lays down regulations in terms of the following:

- Powers of the controlling authority
- Licensing of PSAs
- Eligibility for obtaining licence
- Application for obtaining licence
- Renewal of licence
- Training requirements for private security guards and supervisors
- Eligibility criteria for a person to become a private security guard

The act has been adopted and enacted by various states. Therefore, the state rules act as the regulating force for the agencies operating within a state. PSARA entitles states to use the common guidelines endorsed by the Ministry of Home Affairs (MHA) to frame state-specific rules with regard to the conditions for obtaining a licence, training requirements, requirements for applying for a licence, information to be maintained by agencies, renewal of a licence, conditions for cancellation and suspension of a licence, conditions for submission of appeals by agencies, etc.

The existing regulatory framework largely caters to the manned guarding portion of the industry but fails to provide concrete guidelines on cash services and electronic security services. Similarly, the guidelines do not cater to the procurement and maintenance of arms and ammunition required by private security guards.

Apart from the Private Security Agencies Regulation Act, 2005, guidelines on licensing, training and other aspects mentioned above, the private security industry in India is also significantly impacted by the following acts:

- The Payment of Wages Act, 1936
- The Industrial Disputes Act, 1947
- The Minimum Wages Act, 1948
- The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Payment of Gratuity Act, 1972
- The Equal Remuneration Act, 1976
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

As states have the discretion to frame their specific rules based on the broader guidelines defined by the Central Model Rules act, 2006, a number of different procedures and compliances exist for companies operating in various states, resulting in greater procedural overheads. This is acting as a barrier to expansion for some regional PSAs. Each state has separate requirements for police verification, different timelines for processing the requests, etc.

(Source: <http://ficci.in/spdocument/20966/FICCI-PwC-Report-on-Private-Security-Industry.pdf>)

Industry Speak Operational Challenges

Unhealthy competition in the private security market:

Low prices of services, coupled with non-compliance with regulations, have been the operational mode for some unorganised players. Also, in order to acquire a contract for providing security services, some players in the market underbid for a tender, thus leading to poor delivery of quality services. This practice has resulted in price-based competition instead of competition based on both price and quality. All these factors have posed a challenge to market players which are known to deliver quality services compliant with sector regulations.

Also, according to the managing director of a large PSA, the private security industry has a low entry and exit barrier. Unorganised players can enter the market by employing less manpower without the need for licences and can pose a competition to compliant players. If the business does not seem to be profitable, then they can easily close their operations.

As a solution, it is proposed to:

1. Pro-actively enforce the procurement of licences by unorganised players
2. Promote quality- cum price-based tendering

Lack of required manpower/ leadership/skill sets:

Skewed wage patterns for security manpower in India has proven to be a concern for PSAs in retaining required resources. Also, no defined career progression is in place for security guards. A PSA's guard can grow to the position of a supervisor. The challenge lies not only in retaining manpower but also in attracting quality talent. Further, due to ever-increasing competition in the market, costs need to be decreased by reducing manpower.

The future of any company in a competitive environment depends on the personnel leading the company from the front. However, in the security services industry, any unforeseen turnover at the senior management level leads to adversities, thereby affecting operations on a large scale.

A challenge also exists with regard to trainers/supervisors available in the industry. Based on research, it was observed that for about 1 lakh of security personnel, the industry has about 1,000–1,500 supervisors only, which clearly shows the dearth of management personnel for the private security sector.

Along with the economy, the rate of crime in India is also growing, leading to the need for efficient policing services. However, there has been a dearth of required skill sets among security personnel because of which PSAs are unable to counter new ways of committing crime.

As a solution, it is proposed to:

1. Include a detailed section on training requirements in the PSARA.
2. Set up schools across India for the training of manpower.
3. Include private security as a part of school curriculum.
4. Define a career progression for entry-level guards and give them opportunities to move to public security.
5. Increase the usage of technology services such as CCTVs to increase efficiency and reduce costs.

Issues related to licences:

Not only is there ambiguity in the procurement of both state- and central level licences, but the complete process of procuring these licences is complex, according to people from the industry. The police verification in place is quite complex and time consuming. Also, there is very limited enforcement from the government for private security players to be compliant on licences, as a result of which the unorganised security sector covers about 70% of the market and offers cheap and poor quality services. Adding to the woes, the procurement of licences at the state level is a time-consuming process.

According to a PSA, in case of the cancellation of a licence, no proper reasoning/explanation is provided to companies.

As a solution, it is proposed to:

1. Have a single window for the procurement of licences by deploying a web portal for private security agencies.
2. Automate the process possibly link it through the existing PSARA Portal

Low margins

As per the survey conducted across major PSAs, ‘low margins’ was a common issue reported by these agencies. According to PSAs, the industry is already under stress with regard to cash flows owing to delays in payments from clients. On the top of that, GST, which the agencies claim is good for the industry, has impacted working capital. Therefore, there is a need to lower GST rates for PSAs as they are just the provider of manpower services and play the role of middlemen. This has ultimately resulted in the delay of salaries of the workforce.

As a solution:

1. PSAs should have sufficient working capital so the salaries of their workforce can be paid on time.
2. The GoI should consider lowering GST rates for PSAs.

Less innovation and growth:

The Indian economy has shown tremendous growth with respect to digital initiatives and innovations; however, the private security industry is yet to match pace. This industry is still unable to fully harness the strength of technologies such as analytics, IoT, sensors, CCTVs and central command centres. According to an industry expert, this sector should be a mainstream component of the infrastructure sector and both the sectors should grow in parallel.

As a solution PSAs should collaborate with technology companies to develop solutions that offer the benefits of remote surveillance technologies, thus reducing manpower costs.

(Source: <http://ficci.in/spdocument/20966/FICCI-PwC-Report-on-Private-Security-Industry.pdf>)

Road Ahead:

Services sector growth is governed by both domestic and global factors. The Indian facilities management market is expected to grow at 17 per cent CAGR between 2015 and 2020 and surpass the US\$19 billion mark supported by booming real estate, retail, and hospitality sectors. The performance of trade, hotels and restaurants, and transport, storage and communication sectors are expected to improve in FY17. The financing, insurance, real estate, and business services sectors are also expected to continue their good run in FY17.

The implementation of the Goods and Services Tax (GST) has created a common national market and reduced the overall tax burden on goods. It is expected to reduce costs in the long run on account of availability of GST input credit, which will result in the reduction in prices of services.

Exchange Rate Used: INR 1 = US\$ 0.0155 as on January 04, 2018.

(Source: www.ibef.org)

Way Forward and Recommendations

1. Leveraging new-age technologies:

It is evident that PSAs are facing a shortage of adequate and skilled manpower. In addition to that, rising cost of manpower is a reality. Also, there has been a rise in various adversities such as:

1. Natural calamities
2. Loss of classified information
3. Cyber security concerns
4. Terrorist activities

This has led to a demand for integrated solutions such as CCTVs and alarm systems.

Some advanced hi-tech electronic solutions that must be adopted by PSAs are elucidated below. 1. Automated fire alarm systems

- a. Smoke detectors
- b. Gas, flame and heat detectors
- c. Indication panel for fires

2. Integrated and automated home security solutions:

Solutions such as CCTVs, intrusion detection, fire alarms, glass break detectors, panic buttons, access control with systems such as HVAC, lighting control and D2H should be integrated. This has a high potential to be provided as a service-based solution. For a subscription fee, PSAs could take up the task of installing and maintaining such surveillance equipment, setting up of manned control centres and responding with a team of security staff and incident handlers.

In addition to the aforementioned points, digitisation has made proactive monitoring of any suspicious activities possible by informing concerned stakeholders via the establishment of command centres. Technologies such as video surveillance, along with predictive command centres, can play a crucial role in the private security industry. Wi-Fi cameras for low-level surveillance, point-to-point cameras for larger areas and remote surveillance systems prove to be a boon for providing complete security solutions to clients by delivering alarm management solutions in conjunction with E2E IP video surveillance.

Going one step further, the security market can also leverage new-age security technology solutions such as:

1. IoT sensors
2. Analytics
3. Real-time connectivity
4. Biometrics

By incorporating new-age solutions, PSAs can transform themselves from just a security provider to a solutions provider. Security can be provided as services to clients over a subscription model (e-security as a service [SaaS]) Also, data collected from these solutions can lead to better business intelligence and knowledge discovery.

In our outlook, if any PSA wants to transform its business model to cope with the mentioned trends, then a roadmap citing a go-to market strategy, focus areas, investment plans, etc., need to be chalked out for effective transition.

Corporate background check :

Currently, big corporate houses hire background verification agencies to conduct investigations on employees' background such as checks on their residential address, education, etc. Since this activity is in line with the work performed by PSAs, it is recommended to include this new line of service in the gamut of services provided to Indians. A PSA has already ventured into this area and this has become one of its growth factors.

Public-private partnerships (PPP) – hybrid policing :

The role of the private security sector can be strengthened with the support of the government policing brigade. Also, the private security sector can contribute in places where it is difficult for the police to. This shall lead to surveillance at a granular level and prevent an increase in crime rates. Countries such as the US and Netherlands are already working on these policies. This has led to an increase in personnel in the private security sector.

1. Joint operations by police and PSAs:

Police can share patrolling and investigating duties with PSAs.

2. Contracting security services to PSAs:

For efficient and effective policing services, the police can hire PSAs for carrying out overhead services currently undertaken by them, such as security management during festivals and sports events, senior citizens monitoring, speeding control on highways, traffic management, peripheral security of establishments, verifications for employment etc. Further, police services will be able to cater to more important cases. Private security guards can also undertake some services for guarding shipyards, railways; protection of VIPs; controlling riots and safety of women.

3. Supporting the armed forces:

PSAs can outsource their manpower for guarding base camps, convoys, logistic dumps and highprofile targets.

4. Introduction of new legal frameworks:

In order to support the public forces, there is a requirement to make changes in the currently available legal support mechanism. Legal provisions may be considered to cater to scenarios where private security guards may need to use a firearm in case of an assault, to defend himself or the people that he is hired to protect.

5. Improvement in training techniques and required funding mechanisms:

Looking at the potential of the private security market as a large employer for youth of the country and the relatively low operating margins of PSAs, it is recommended that the government incentivises / subsidises provision of quality training to the workforce of PSAs. Some such schemes are in force through NSDC.

This upskilling activity will help in defining the career path of the workforce and will also help high performers to be rewarded accordingly. Induction programmes on technology need to be the prime focus for each PSA.

6. Single licensing system:

The procurement of licences from multiple states has proven to be troublesome for almost all major players in the market. Thereforsre, it is recommended to have a one-stop solution for PSAs to procure licences. A dedicated portal for this can ease out the process and automation can help in avoiding multiple tasks.

7. Improvements in enforcement:

Due to the absence of mandatory compliance requirements, unorganised/ small players have an undue advantage over large/compliant players. Due to non-compliancy, unorganised players provide cheap services which generally are of low quality. GoI should have strict enforcement measures in place so that there is a focus on quality of service delivery and equitable and fair treatment of the workforce.

Some recommendations that can be considered are:

- a) listing of all registered licensed PSAs on the web portal and its details needs to be updated periodically,
- b) listing of agencies whose licence was cancelled along with the reasons,
- c) deciding a logo or standardisation mark for PSARA licensed vendors that could act as a visible compliance marker and could also help in building publicity and awareness amongst potential customers.

(Source: <http://ficci.in/spdocument/20966/FICCI-PwC-Report-on-Private-Security-Industry.pdf>)

OUR BUSINESS

Business Overview

Our Company, Kapston Facilities Management Limited (KFML), was incorporated in the year 2009 and is a provider of private security and facility management services in India. KFML has grown considerably over such a short span and is one of the leading service providers of Security Services in Telangana & Andhra Pradesh. We are an ISO 9001 & OHSAS 18001 certified company for providing Integrated Facility Management Services for Security, House Keeping, M&E (Electro Mechanical) and Landscaping (Horticulture) and allied services. Backed by a team of dedicated and expertised persons from multifaceted segments providing services to large private sector, Multinational companies and other sectors. We provide smartly uniformed, highly trained and professional guards who are responsible for security and safety of assets, personnel and property against losses due to thefts, pilferage and instructions. Our Company is MSME Certified with PSARA License and are members of esteemed organisations such as APSA, SCSC IISSM, CAPSI, SSSDC and FTAPCCI. Further, our company has received NSIC- CRISIL Performance and Credit Rating of MSE*2, High credit worthiness in relation to other MSEs.

Presently we have around 6394 employees, including a team of competent & qualified professionals & esteemed clients spread across different locations. Optimum combination of Human Resource pool backed by spotless integrity, Kapston provides a comprehensive array of security solutions to endow our clients with an unmatched feeling of safety and sense of security. Keeping in trend with time and technology, we proactively design and implement training modules, to reinforce our client's trust in us. Over the last decade, our strength has grown in numbers as well as widening our spectrum of Security Services to an extent where Kapston has become an Integrated Facility Management Solution Provider.

With headquarters in Hyderabad (2 offices- Registered office and Corporate office), Kapston boasts of a widespread branch network consisting of 4 additional branch offices and 8 training centres across 10 cities in 8 states. Of the above, the Government aided training centres under the prestigious 'Deen Dayal Upadhyaya Grameen Kaushalya Yojana' (DDUGKY) project under the Ministry of Rural Development (MoRD) in the states of Maharashtra, Karnataka, Odisha, Assam and Kerala in Security, Housekeeping and Hospitality-F & B services., All training centres incentivizes corporates to Train and Recruit youth in select skills. This scheme operates on a Public-Private Partnership model (PPP model) and provides subsidies based on the number of youth trained and recruited by the partner. The DDUGKY scheme not only provides a steady stream of competent workforce but also defrays the cost of training which would in any case be incurred in normal course of business. We have recently set up a branch offices in Chennai and has put in place an aggressive growth strategy in place in these fast growing markets for better opportunities.

Amount (₹ In Lakhs)

Grants received from MoRD and GOI for skill project	9 months period ended December 31, 2017	Fiscal year (2016-17)	Fiscal year (2015-16)
Odisha Government	70.06	60.15	72.95
Karnataka Government	142.88	71.61	144.16
Assam Government	117.81	42.43	140.87
Kerala Government	34.42	24.33	108.86
Maharashtra Government	47.49	100.96	1.39
TOTAL	412.67	299.50	468.23

We have partnered with 'National Skill Development Corporation' (NSDC) with a target to train and provide employment to unemployed youth by the year 2025 across various segments. NSDC, is a one of its kind, Public Private Partnership set-up by Ministry of Finance working under the supervision and control of Ministry of Skill Development and Entrepreneurship, with the primary mandate of catalysing the skills landscape in India. NSDC is a unique model created with the main objectives:

- Upgrade skills to international standards through significant industry involvement and develop necessary frameworks for standards, curriculum and quality assurance
- Enhance, support and coordinate private sector initiatives for skill development through appropriate Public-Private Partnership (PPP) models; strive for significant operational and financial involvement from the private sector
- Play the role of a "market-maker" by bringing financing, particularly in sectors where market mechanisms are ineffective or missing
- Prioritize initiatives that can have a multiplier or catalytic effect as opposed to one-off impact.

By partnering with NSDC, Kapston has embarked on a venture in line with the National mission of generating employment for the unemployed youth and thereby alleviate poverty, besides also enhancing overall skills towards the Nations Development Index.

We serve prominent names of various segments including IT & ITES, Multinational Corporations (MNCs), Corporates, Industries, Banks, Hotels, Hospitals, Malls & Retail, Infrastructure, Construction projects and Residential Sites, etc. We have set up an extensive employee platform which spans recruitment, customized training and development, deployment, incentivization and management of personnel. We have reach for manpower sourcing and training and currently operate 9 training academies in our security services personnel undergo extensive physical and classroom training. Our personnel recruitment, training and deployment initiatives are process oriented and technology driven with detailed performance indicator tracking, reporting and evaluation of personnel. Presently we have over 6394 employees of which billable personnel are 3785 employed for security services and 2380 for facility management services rendered, additionally there are 229 unbillable personnel on the payroll of the Company.

Our Company is promoted and managed by Mr. Srikanth Kodali and Mr. Radha Krishna Pinnamaneni having over a decade of experience in operating our line of business. In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations and also acquire and integrate businesses. For further details see “Our Management” on page 134 of this Draft Prospectus.

Our vision is to become the leading Skills Development Company in the Security Services and Integrated Facility Management Services (IFMS) Industry within South India. Our endeavor is to empower the youth with strong skills-set, whilst also bringing about an improvement in the quality of life and thereby setting even higher standards across the entire segment. By working to ensure 100% placement in the Security and IFMS industry, we would not only be growing the operations of our business but also aid nation building by generating employment to the unemployed section of the population. In essence, our pre-requisite would be to benchmark Kapston’s profile with the highest International standards and also secure absolute client satisfaction.

For the nine (9) months period ended December 31, 2017 and fiscal 2017, 2016 and 2015, our revenues from operations were ₹8073.93 lakhs, ₹9063.08 lakhs, ₹7027.38 lakhs, and ₹5735.64 lakhs, respectively. Our Profit After Tax for the similar period mentioned above was ₹437.81 lakhs, ₹305.97 lakhs, ₹216.22 lakhs, and ₹199.49 lakhs, respectively.

Our Business Operations

We are endowed with experience & expertise that spans across the broad spectrum of premium security and facility management services, making it a one-stop destination for various security and facility management solutions.

By creating a dedicated department for each sphere of service, we have ushered in professionalism in all our services. Also, every department endowed with the right blend of men and machinery is ushering in a regime of new found excellence. Our Company has a comprehensive range of Security and Facilities Management related services, which include:

Security Services

- Manned Guarding
- Escort Guarding
- Event management
- Fire Fighting
- Dog Squad

Facility Management

- House Keeping
- Office Support & Staffing (Business Support Services)
- Engineering & Maintenance (Electro, Mechanical & Technical Services)
- Landscaping & Garden Maintenance
- Pantry Management Services
- Façade Cleaning Services
- Pest Control Services
- Waste Management
- Valet services

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

1. Integrated services provider in diversified business segments, industries and geographies

We are one of the leading provider of Security Services in Telangana and Andhra Pradesh. We provide security and integrated facility management services to a various customer segments including IT & ITES, Multinational Corporations (MNCs), Corporates, Industries, Banks, Hotels, Hospitals, Malls & Retail, Infrastructure, Construction projects and Residential Sites, which reduces our vulnerabilities to economic cycles and dependence on any particular set of customers.

As of December 31, 2017, our operations were spread across 8 Indian states with 1 Registered office, 1 Corporate office and 6 branch offices across 10 cities in India, giving us a nation-wide presence and reducing our dependence on any one particular region. We believe that locating our branches in proximity to our customer premises is a significant factor for success in our business and our branch network results in greater focus on and attention to our customers as well as higher quality and customized service delivery.

We provide a comprehensive range of service offerings such as Manned Guarding, Escort Guarding, Event management, Fire Fighting, Dog Squad, Housekeeping, Office Support & Staffing (Business Support Services), Engineering & Maintenance (Electro, Mechanical & Technical Services), Landscaping & Garden Maintenance, Pantry Management Services, Façade Cleaning Services, Pest Control Services, Waste Management, Kennel Services and Valet services, amongst others. We believe that our presence in various cities enables us to offer services to customers who prefer a single service provider for their operations at multiple locations.

We believe that factors such as our diverse range of services, strong customer base and strength of our employee resources, enable us to further strengthen our leading position in our existing regions of operations. We believe that having strong relations with various clients in diversified sectors and locations, reduces our dependence on certain clients or certain sectors or certain geographical locations and reduces sector / geographical / client specific risk. Further, we believe that through our extensive branch infrastructure, we have developed economies of scale, which allow us to provide efficient and cost- effective solutions to our customers.

2. Strong Brand presence

We believe that “KAPSTON” represents a strong brand in the market we operate in. Our service offerings coupled with know- how, competitive fees, execution capabilities and a good track record has provided us with strong brand recognition and credibility. The recognition and acceptance of KAPSTON as a brand has significantly contributed to the success of our business. The credibility of our business is also reflected in the fact that we have received certifications and accreditations from various agencies and regulatory bodies and the fact that we have entered into longstanding arrangements with government and semi government agencies to carry out training and recruitment.

Our long - standing presence in India has helped us gain an understanding of the respective markets, which we believe has contributed towards the success of our operations. We believe that we are well recognized for providing quality security services in India and we believe that our strong brand positioning and strategic focus on such business has contributed to sustained increase in our business over our considerably short span of presence. The track record and collective experience gained by our Company over the short span of existence we have earned a reputation for quality work in the competitive industry we operate in. Our brand image, among other factors, enables us to get new contracts and business.

3. Experienced Promoters and proficient senior management team with low attrition rates.

Our business is such that it is highly dependent on the experience and know-how of our Promoters and management team. Our Company is promoted by Mr. Srikanth Kodali and Mr. Radha Krishna Pinnamaneni, who have over a decade of experience in the lines of business in which our Company operates. Further, our senior management team of our Company exhibits a synergy of both, qualified personnel as well as experienced persons coming from renowned organisations, in the field of finance, management and personnel administration. We believe this combination enables continuous updation in our key processes, growth and development, providing a distinctive competitive advantage in the industry we operate in. We have a low attrition rates and many of our employees have been working with us over the years. This reflects strongly on the work ethic and work culture followed at our organization. This strength has been instrumental in the consistent growth of our Company’s financial and operational performance. For further details and profile of our Board of Director, key managerial personnel as well as our senior management team, please refer the section “Our Management” beginning on page 134 of this Draft Prospectus.

4. Diverse Portfolio of services offered

Our diverse portfolio of services comprises of Our Company has a comprehensive range of Security and Facilities Management related services, which include *Security Services* including Manned Guarding, Escort Guarding, Event management support services, Fire Fighting and Dog Squad as well as *Facility Management Services* which include Housekeeping, Office Support & Staffing (Business Support Services), Engineering & Maintenance (Electro, Mechanical & Technical Services), Landscaping & Garden Maintenance, Pantry Management Services, Façade Cleaning Services, Pest Control Services, Waste Management and Valet services.

By creating a dedicated department for each sphere of service, we have ushered in professionalism in all our services. We believe that our extensive portfolio of services enables us to grow our customer relationships and scope of engagements and serve as a single point of contact for multiple services, driving high customer retention. Our multiple service offerings allow us to derive operational efficiencies, by centralizing certain key functions such as finance and sales and also certain other administrative functions. Given our operational experience, we believe that we have developed in - house expertise to handle all stages of deployment and management of private security and facility management services and cater to the varying requirements of our customers, which has enabled us to grow our market share and instill our customers with confidence in our ability to address their diverse and dynamic business needs.

We believe our ability to offer customized private security and facility management services to fit the needs of our customers across our various business segments allows us to deepen our relationships with our customers and enables us to target a greater share of their requirements. We believe that we have been able to retain existing customers and attract new customers because of our brand, strong market position and delivery of quality services.

5. Quality Assurance and Customer Satisfaction

In order to provide quality service, we emphasize a lot of importance to in depth and active on-the-ground supervision. Our strong operations team comprising of Managers, Inspectors, and Patrol supervisors, who are equipped with Radio Communications & Mobile Phones to carry out checks at all our sites on a 24x7 basis. In order to minimize the risks and vulnerabilities a team of operations staff visits the site to analyze and understand the security needs of client's premises. Based on the survey report a security setup for the premises is jointly redesigned. A detailed set of instructions including charter of duties for security personnel; client's expectations from security staff, emergency procedures and other relevant details are documented. This set of Post & Site Instructions are prepared in consultation with client, tabulated and documented to make the system as fool proof as possible. Further, all our clients are provided with both Operational Escalation Matrix and Emergency Escalation Matrix to ensure smooth operations and services at all times.

We as a professional security organization have the experience and expertise in Executive Protection Services and providing security services at mega events. We have been associated with events of extreme prestige. Being a professional security organization, with total commitment to quality and customer satisfaction, we strongly feel that security is a sensitive business. It needs professional and specialized expertise to provide the service in accordance with the requirements and to the utmost satisfaction of the client.

We have been creating value for our clients in India by our dynamic approach to problem solving enables us to deliver quality services on time coupled with consistent performance to our clients in India & overseas. Many of our clients have retained us as their preferred service provided and we are associated with them for years.

We believe that we are a trusted and preferred partner to our clients and are therefore able to attract, and provide our services to large Indian and multi- national companies. Value differentiation in an increasing competitive market with low barriers of entry is delivered by substantially better training to its employees, a high level of customer focus delivered through an efficient back end team and stringent compliance processes.

6. Continuous skill development program

We have built in-house training and development programs. Our in-house training team and modules along with our partnerships with consultants for continuous training needs identification and delivery. Our training covers On-Site rules and regulations, Processes, Soft skills and Hard Skills across housekeeping, maintenance, customer services, back office and EHS Training – Environment, Health, Safety amongst others. This enables us to remain updated in the competitive market of Security and IFMS Industry and provide the best training to our billable employees so that they may provide good service to our Clients.

Our Strategies

We have developed our private security and integrated facility management services by entering into businesses that require utilization of trained manpower, have limited capital expenditure requirements, are asset-light and in which we are able to leverage our existing infrastructure and expertise. The key elements of our business strategy are:

1. Increase presence throughout South India

Initially our Company's operations began and were limited and focused only in Hyderabad. Over the years, our footprints have reached various cities Eastern and Southern India. Presently we provide services across 8 states in these regions by bringing seamless and integrated services with easy access to an array of renowned organizations in these regions. Backed by a proven track record of reliable, transparent operations and customer satisfaction, we believe our short term vision includes to progress by carving out a distinct niche for ourselves in South India.

This vision to become the leading Skills Development Company in Security Services and IFMS Industry within South India. Our endeavor is to not only increase market share and revenue for the Company but also empower the youth with strong skills-set, whilst also bringing about an improvement in the quality of life and thereby setting even higher standards across the entire segment. In essence, our pre-requisite would be to benchmark Kapston's profile with the highest International standards and also secure absolute client satisfaction.

To enable us to do the same, we must strengthen our existing branches to ensure satisfaction to our current regions as well as build new branches across major states in the south Indian region and ensuring setting up of standardized SOPs as well as maintaining standards of customer service and profitability.

2. Expand our service portfolio and our operations PAN India through strategic acquisitions

Our long term strategy is to expand our service portfolio through a number of acquisitions and successfully integrate these businesses into our operations. We believe that the highly fragmented nature of the industries we operate in will continue to offer consolidation opportunities, and we intend to carry out strategic expansion plans on a PAN India basis through inorganic growth opportunities that complement our existing operations. Through strategic acquisitions, we intend to increase our market share, enable access to new clients and enter high-growth geographies in a cost effective manner.

We believe that our experience, track record and conservative approach of identifying and implementing our growth strategy will enable us to acquire and successfully integrate new businesses and offer a comprehensive range of business and managed service offerings to our clients.

3. Invest in established technological systems and processes leading to a scalable business model

We plan to make investments in training infrastructure for seamless management of operations and compliances across multiple client locations. Our Company aims to develop a technology platform that will integrate our diverse functions across our many client locations in the form of an ERP system. From procurement, account management, CRM, daily operations monitoring, recruitment, performance appraisals, expenses management to real time helpdesk management, all our departments & functions will be integrated into a single platform.

Services are contracted on an annual or multi year basis which provides consistency and a steady source of revenue. The key determinants of the service are recruiting and training unskilled, semi-skilled and skilled manpower and deploying at the customer premises. Thus, an asset light model leads to potential steady revenue realization without the need of increasing capital expenditure.

We have implemented standardized recruitment, training, deployment, operations and services related quality measurement and business analysis systems and processes that we believe enable us to develop a scalable business model, with quality service delivery. We have standardized the recruitment criteria for our personnel in order to maintain high quality and consistency in the services and experience we provide to our customers.

We are in process of putting in place a variety of operational systems including a weekly and monthly reporting system tied into our in-house enterprise resource planning (“ERP”) system, as well as collect performance data of employees across our various branches in order to assess employee performance levels as well as overall branch performance, creating effectiveness and efficiency in our business operations.

Further, we also intend to invest in setting up CRM and MIS systems. Customer relationship management (“CRM”) is an approach to manage a company's interaction with current and potential customers. It uses data analysis about customers' history with a company to improve business relationships with customers, specifically focusing on customer retention and ultimately driving sales growth. We believe that our technology based operational and reporting systems and management processes shall help us in becoming a professionally managed business with a scalable business model.

4. Grow our businesses across customer segments

We believe that we are well placed to capitalize on the expected growth in the private security and integrated facility management services industry in India due to our speedy growth over short span of time and existing strong brand presence. According to industry surveys, the Indian economy is expected to become one of the largest economies by 2020, resulting in growth across end user and customer segments in India and the security services market in India is likely to grow at the an approximate rate of 20% upto 2020. We intend to grow our businesses, leveraging on the growth of private sector business entities due to investments in infrastructure, manufacturing and services, growth in demand of our services from Government organizations and from households due to an increase in the disposable income available with the Indian middle class.

Our customers for our private security and facility management services include private sector business entities operating in industries ranging from manufacturing to IT/ITeS, Healthcare, hospitality, retail and infrastructure. The above industries are major contributors to the GDP of India. We believe that growth in the business of such customers in India, would result in a corresponding growth in demand for our services, due to the increasing scope of their operations resulting in demand for organized and standardized services, and growth in the scale of their operations across geographies in India, resulting in increase in demand across our nation-wide branch network.

We intend to grow our presence with Government organizations leveraging on Government outsourcing initiatives, public-private partnership ventures requiring such services, particularly in the infrastructure sector, and tenders from large governmental and public sector enterprises.

5. Continuous training and skills upgradation and retain talented employees

Employees are essential for the success of every organization and are the key strength of our business. Thus, continuous development of skills of employees by providing requisite training and updation of such training in line with international standards is very important. We intend to designing a premium security policy that is aligned with the needs of the various business segments we operate in. Ensuring compliance with the finest mandated standards. To become the pioneer service provider for integrated facility management services. To provide assistance to people, authorities and companies in order to meet their demands for Integrated Facility Management Services on a 24/ 7 basis.

We constantly intend to continue our focus on improving health, safety and environment for our employees and provide various programs and benefits for the personal well- being and career development of our employees. We intend to strive to further reduce the employee attrition rate and retain more of our skilled workers for our future expansion by providing them with better, safer and healthier working environment.

6. Continued partnership with National Skill Development Corporation (NSDC) enabling balanced Working Capital Management of the Company

Our Company has entered into an agreement with the National Skill Development Corporation India (“NSDC”). NSDC is a one of its kind, Public Private Partnership (“PPP”) set-up by Ministry of Finance working under the supervision and control of Ministry of Skill Development and Entrepreneurship, with the primary mandate of catalyzing the skills landscape in India. NSDC is a unique model, by which funds are provided to entities at a concessional interest rate of 6% p.a. and other terms of repayment. Such funds are required to be used by such company for investment towards Training Infrastructure (excluding the acquisition/ creation of immovables) and Working Capital requirements.

A few of the terms of this model include no interest moratorium period, repayment period of 7 years (including principal moratorium period of upto 3 years), minimum promoter’s contribution of 25% of the investment requirement, security includes first charge on assets of the project/ pledge of shares of minimum 51% of the equity of the entity and compliance with the Training Commitment agreed upon.

Kapston has already availed a loan of Rs. 434 Lakhs (incl. minimum promoter contribution) through this model and is successfully in process of complying with the terms of the Training Commitment, so much so that, it has already begun the process of applying to the NSDC for a further loan upto Rs. 2000 Lakhs to invest in its future financial requirements for training manpower/ facilities. As per the aforesaid mentioned terms, for sanction of such loan, a minimum promoter contribution to the extent of 25% i.e. in such case, Rs. 500 Lakhs shall be contributed by the Promoter. In view of this requirement, in the event such loan shall be sanctioned by NSDC, our Promoter Selling Shareholder, may infuse such amount of Rs, 500 Lakhs back into the Company from the proceeds received by sale of Offer for Sale (OFS) shares through the Public Offer through this Draft Prospectus.

This continued public private partnership shall enable our Company to continue to reap the benefits of low interest costs and considerably lenient terms which inturn shall help in efficient Working Capital Management of our Company. Such maintenance and fulfillment of working capital requirements shall enable Kapston to continue to develop in-house training and development programs.

Brief description of the Major Services provided by our Company**SECURITY**

Our Security Services appreciate the importance of providing a secured environment for all its clients. We have a strong team of security personnel who are thorough with internationally recognized security protocols and trained in emergency & disaster management techniques, to keep men and material out of harm's way.

They undergo specialised training in martial arts and unarmed combat, and make the facility an unconquerable bastion from unwanted intruders. We undertake a thorough background check of all the personnel prior to recruitment, besides a host of other measures come as an added assurance.

➤ Round the Clock Control Room

In order to provide the best service to clients, the Company has incorporated a concept of 24 hours Control Room located at Hyderabad. A trained controller is put in each control room whose job is to receive messages, analyze them and inform the right person. This acts as a single point communication and command Centre, over-lapping the regular office hours. This gives complete support to the operations team and works as a 'Nerve Centre'. It comprises of Duty Manager, Operations Manager, Chief Operating Officer and the Managing Director in case of any emergency.

➤ Liasioning & Vigilance Team

As an imperative and a necessity to our security operations we have good liaison with police department and other law enforcement authorities/agencies. Prompt daily city alert reports are provided based on the information from police department. We also extend our support to help & assist our esteemed clients in lodging complaints & following-up with Investigation in resolving the issues, should the need so arise.

➤ Night Patrolling Squad/ Regular checks and patrolling by night staff

A dedicated team of Night Patrollers are always available round the clock and all days of the year to conduct random surprise checks at our client's premises and to support the client in case of emergencies.

➤ Quick Response Team/ Immediate response on short calls

To further support the entire security set-up, mobile Quick Reaction Teams are available at the disposal of the control room. These teams are connected through Radio Communications & Mobile Phones. QRT mainly comprises of specialized personnel who are well-equipped and capable enough to take corrective and required actions during all unscheduled emergencies.

- All operations staff are provided with an extensive communication network.
- Provision of additional security staff at short notice, whenever so required.
- Independent communication system to all major units and important clients.
- Our Security Managers are in regular contact with the clients, to provide assistance to their Security problems if any.
- Action Plan during Riots & Strikes.

For the nine (9) months period ended December 31, 2017 and fiscal 2017, ₹4949.38 lakhs and ₹5990.03 lakhs, respectively of the total revenues were generated from Security Services.

DOG SQUAD

Kapston rears one of the finest security dog squads of the region. From sniffing out a potential threat to tracking down a suspect's trail, intimidating an unsolicited intruder to protecting their assets and property, Kapston inspires the best-in-class canine security. By employing the best breeds, top-class dog trainers and expert handlers, the canine brigade at Kapston is undoubtedly the smartest race amongst its contemporaries.

Kapston's all-round approach on providing ultimate security brings an added advantage of 'Dog Squad', one of the specialized security wings of Kapston, providing the finest breeds of Labrador and Rottweiler trained to meet the specifications as demanded by their respective clients. It has a team of professional dog handlers and kennel of both "sniffer and tracker" dogs, to provide extra safety and security to the premises. Our specialization includes Sanitization, Watch Dogs, Dog training.

HOUSE KEEPING

Housekeeping is not limited to just cleanliness alone. It defines the 'Neatness and Orderliness' of work areas, tripping hazards, removal of wastages, debris, clutter & spills and other relevant fire hazards, from home and work areas. The work demands restructuring of the workplace and the storage facilities.

Good housekeeping is also a basic tenet of accident and fire prevention process. For ambiances that gleam with health and life, trust our exclusive and specialist housekeeping services. Our team is also armed with rodent and pest control techniques and latest disinfectants amongst others, to ensure that the facility remains ever clean, healthy and vivacious at all times. The team is committed to an extremely effective housekeeping process, as a standard ongoing operation.

We strive to give the best Housekeeping services specially customised to suit personalised requirements:

- Permanently employed full-time staff
- Latest cleaning techniques
- Well trained employees for usage of Latest Equipment
- Flexible cleaning schedules to accommodate 24/ 7 services as per customers' work timings

For the nine (9) months period ended December 31, 2017 and fiscal 2017, ₹3124.56 lakhs and ₹3073.05, respectively of the total revenues were generated from House Keeping Services.

OFFICE SUPPORT & STAFFING

Our company is an established brand name for sourcing of talent for contract staff, to support their basic administrative chores and office support. The Business Support Services Wing, undertakes talent search for 'right personnel for the right job', based on the candidates' performance at the aptitude test and interview. We also train & groom the candidates by imparting requisite skills, before employing them at sites.

A prior tracking of the candidates past history, work status and conduct with the previous employer is ascertained, to 'ensure and assure' our esteemed client, that the candidate they appoint is genuine in all aspects of work culture.

We provide human resources and support staff for facilitating service towards: Customer Support, Reception, Telephone and EPABX services, Visitor handling, Conferences, Back Office Operations and a host of others.

ENGINEERING & MAINTENANCE

Wear and tear over a certain period of usage is a common attribute for any facility. It calls for regular checks and timely repairs to maintain the poise of the facility. We are endowed with a qualified team of specialist engineers, plumbers, electricians, masons and carpenters, who comprehensively address this domain of maintenance, to the standards as so desired by the client.

Our Engineering & Maintenance team comprises of well qualified candidates with sound knowledge in handling different equipment, (with requisite hands on approach), in application of latest technologies for maintaining excellent conditions for the specified areas. They extend their expertise and help, in optimization of equipment & devices, machinery and structures, thereby reducing departmental budgets to achieve better maintainability, increased reliability and overall accessibility of equipment.

Apart from preventive 'maintenance checks' on a daily basis, Kapston also offers its services on call. We have designed customized software to schedule, plan and track maintenance deliverables on as required basis. The list of services at Kapston broadly encompasses: Office and safety equipment maintenance, General Electrical works, Plumbing and Carpentry services, Preventive Maintenance (PM), Corrective Maintenance (CM), Situational Maintenance (SIT) and Predictive Maintenance (PdM) etc.

FAÇADE CLEANING SERVICES

A Facade of a facility is the company's first point of contact with the outside world. So a well-maintained facade becomes a necessity to spread positive vibes about the company.

We have incepted innovation in facade cleaning, and are capable of extending automated facade cleaning services, yielding perfect results, besides traditional facade cleaning procedures customized to the requirements for cost effectiveness. We employ the best machinery with highly skilled personnel for the servicing.

No matter how big the structure is, we undertake facade cleaning with efficient ease. We use the most advanced equipment and the right blend of special cleaning agents, mixes, mild abrasives and lubricant agents to keep the facades at their dazzling best. We also take special chemical sealing measures to make the glass retain its stain-free texture for longer durations.

PEST CONTROL SERVICES

A pest-free facility is as crucial as the daily cleaning services to achieve a perfect balance between hygiene and cleanliness. And our team armed with rodent & pest control techniques and latest disinfectants, fights a variety of pests to ensure the facility remains healthy and vivacious. We cater to provide this service to IT industry company. We also ensure all safety parameters of our pest control team with hi-end safety suits, as we strongly believe, that a skilled pest controller offers better services only when he ensures his own safety first.

Our pest control services, promise a Healthy environment free from pests, which possibly stand as a cause for many hazardous diseases. Our services include: Termite Control, Mosquito Control, Rat Control, Flies Control, Roach Control, Bed Bugs Control, Bird Control and General Disinfestation.

PANTRY MANAGEMENT SERVICES

Our qualified team of Pantry Executives are groomed with etiquettes, warm manners and above all absolute hygiene standards, so that one can relish their choicest of palates to their heart's content.

We strongly believe that 'Health is Wealth' and our Pantry services wing strongly emphasizes this fact that food is not one that fills the stomach, but one that satisfies the moods along with the variety of dishes cooked and served. We impart the science of Cooking & Pantry maintenance in our training sessions, which enables us to

provide the best team ever – the reason why the Professional Pantry services from Kapston, serves food that is healthy too. Their experience and expertise are perfectly blended to provide the finest standards in food and excellent pantry maintenance.

Our Pantry services are inclusive of Maintenance and Re-stocking as part of its services, starting from layout and design of the kitchen pantry, to extending satisfactory smiles, meal after meal.

LANDSCAPING & GARDENING

Backed by a team of expert landscape architects, horticulturists and experienced support staff, Kapston has pioneered the art of crafting the most spectacular landscapes, which inspire a reign of boundless revival for the body, mind & soul. Besides which, the competence of catering to a holistic array of garden maintenance works makes Kapston an 'end-to-end' solutions provider in the realm of landscape designing and gardening.

We offer specialized staff pertaining to this sector on temporary and permanent basis to meet the requirements of keeping a garden or landscape healthy, attractive, clean and safe. The personnel are specialized to handle customized tasks such as Gardening, Driveway and Path maintenance, lighting, proper drainage flow, lawn care, swimming pool cleanliness and many other aspects related to protection and improvement of Garden Landscaping, topsoil enrichment and Plantations etc.

Infrastructure Facilities

Training:

Our Academy is situated across a two-and-a-half-acre campus at Kompally, Hyderabad with a capacity of training 4000 students annually. We are honored to be a part of 'Rajiv Yuva Kiranalu' a prestigious program under the Government of Andhra Pradesh. We have developed a detailed syllabus for a 30-day training program as per Private Security Agencies (Regulations) Act, 2005 ('PSARA') guidelines. Free boarding, lodging and reaction facilities with a hygienic canteen are provided to the candidates during training. Training is conducted with Audio Visual aids. The academy is equipped with a playground for activity and recreation.

In addition to lessons on basic guarding skills, syllabus includes the rudiments of First Aid, Firefighting and self Defense. The training process is ongoing and progressive throughout the employees' career to refresh and further develop their knowledge.

Training is also imparted in on the job mode at client premises, in our Branch offices, Regional Training Centres as well as within the premises of a highly functional and well equipped state of the art Central Training academy in Hyderabad. The training academy provides training programs throughout the year. Continuing education and skill up-gradation is ensured through a well-structured four-tier program covering Basic, Comprehensive Supervisory Management, assignment Supervision, Control and Security Management staff as well as the senior management cadre. We have established training centres, with requisite infrastructure facilities and training equipment so as to enable and support people from different states, on an all India basis. Our training pattern includes physical training, classroom training, soft skills and computer skills to expand the knowledge base and stimulate sustainable economic growth profile, for the youth between 18-35 years of age.

We are proud to be associated with the Skill Development Program in the name of the prestigious 'Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU – GKY)' which was formerly known as "Aajeevika Skills" project under the Ministry of Rural Development (MoRD) in Karnataka, Odisha, Assam, Maharashtra and Kerala, for Security and placement of Rural Youth. The said projects are executed in association with our honorable partners like LIFE-Delhi (Livelihood Initiative for Empowerment)- An NGO, India Skills-Delhi, KITCO-Cochin under the guidance of Technical Support Agencies National Institute of Rural Development-(NIRD) Hyderabad and NABCONS-Mumbai.

In order to provide quality service, we emphasize a lot of importance to in depth and active on-the-ground supervision. Our strong operations team comprising of Managers, Inspectors, and Patrol supervisors, who are equipped with Radio Communications & Mobile Phones to carry out checks at all our sites on a 24x7 basis. In order to minimize the risks and vulnerabilities a team of operations staff visits the site to analyze and understand the security needs of client's premises. Based on the survey report a security setup for the premises is jointly redesigned. A detailed set of instructions including charter of duties for security personnel; client's expectations from security staff, emergency procedures and other relevant details are documented. This set of Post & Site Instructions are prepared in consultation with client, tabulated and documented to make the system as fool proof as possible.

Our Branches:

In addition to our Registered Office and Corporate Office situated at Hyderabad, we have Four (4) branches from where we operate business which are located in Bengaluru, Chennai, Vishakhapatnam and Vijaywada, which are providing Security Services and Integrated Facility Management Services to Prestigious Clientele.

Our Training Centres

Presently we have eight (8) Training Centres which are located in Hyderabad, Gulbarga, Guwahati, Aurangabad, Bhubaneshwar, Calicut.

Location	Services	Type	Sector Skill Council	Course Description
<u>Training Centre 1 & 2 (Hyderabad)</u>	Security	Unarmed Security Guard	Management and Entrepreneurship & Professional Skills Council MEPSC	Course on Security provides training for unarmed Security guards for static guarding, Communication Tower and public events, exhibitions, sports events, concerts, road shows, fashion shows, weddings, private parties.
<u>Training Centre 3 (Gulbarga)</u>	<ul style="list-style-type: none"> ▪ Retail ▪ IT-ITeS 	<ul style="list-style-type: none"> ▪ Sales Associate ▪ Associate Customer Care- (Non Voice) 	<ul style="list-style-type: none"> ▪ Retailers Association of India (RAI) ▪ IT-ITeS Sector Skills Council NASSCOM 	<ul style="list-style-type: none"> ▪ This course teaches students about the modern retail formats that exist in the retailing world of today and will be introducing to how consumers shop in the 21st century. This course is of great interest to students willing to pursue career in the retail industry. ▪ Course on Information Technology gives students an insight into the usage of computers and their functioning using various

Location	Services	Type	Sector Skill Council	Course Description
	<ul style="list-style-type: none"> ▪ Security 	<ul style="list-style-type: none"> ▪ Unarmed Security Guard 	<ul style="list-style-type: none"> ▪ Management and Entrepreneurship & Professional Skills Council MEPSC 	<p>productive software's such as MS Office. This course opens new vistas to the students to enter the ground level jobs involving Information Technology enabled Services</p> <p>▪ Course on Security provides training for unarmed Security guards for static guarding, Communication Tower and public events, exhibitions, sports events, concerts, road shows, fashion shows, weddings, private parties etc.</p>
<u>Training Centre 4 (Guwahati)</u>	Retail	Sales Associate	Retailers Association of India (RAI)	This course teaches students about the modern retail formats that exist in the retailing world of today and will be introducing to how consumers shop in the 21st century. This course is of great interest to students willing to pursue career in the retail industry.
<u>Training Centre 5 (Guwahati)</u>	<ul style="list-style-type: none"> ▪ IT-ITeS ▪ Hospitality 	<ul style="list-style-type: none"> ▪ Associate Customer Care- (Non Voice) ▪ Hospitality Assistant 	<ul style="list-style-type: none"> ▪ IT-ITeS Sector Skills Council NASSCOM ▪ Tourism & Hospitality 	<p>▪ This Course on Information Technology gives students an insight into the usage of computers and their functioning using various productive software's such as MS Office. This course opens new vistas to the students to enter the ground level jobs involving Information Technology enabled Services</p> <p>▪ This dynamic course is designed to enable students to pursue a career in Hospitality industry. Students learn about the various departments their functioning, Food preparation,</p>

Location	Services	Type	Sector Skill Council	Course Description
				<p>serving a guest and understanding various guests. Receiving a guest etc.</p>
<u>Training Centre 6 (Aurangabad)</u>	<ul style="list-style-type: none"> ▪ Retail ▪ Tourism & Hospitality ▪ Security 	<ul style="list-style-type: none"> ▪ Trainee Associate ▪ F&B Service Trainee ▪ Unarmed Security Guard 	<ul style="list-style-type: none"> ▪ Retailers Association of India (RAI) ▪ Tourism & Hospitality ▪ Management and Entrepreneurship & Professional 	<ul style="list-style-type: none"> ▪ This course teaches students about the modern retail formats that exist in the retailing world of today and will be introducing to how consumers shop in the 21st century. This course is of great interest to students willing to pursue career in the retail industry. ▪ This dynamic course is designed to enable students to pursue a career in Tourism and Hospitality industry. Students learn about the various departments their functioning, Food preparation, serving a guest and understanding various guests. Receiving a guest etc. ▪ Course on Security provides training for unarmed Security guards for static guarding, Communication Tower and public events, exhibitions, sports events, concerts, road shows, fashion shows, weddings, private parties etc.
<u>Training Centre 7 (Bhubaneshwar)</u>	<ul style="list-style-type: none"> ▪ Retail 	<ul style="list-style-type: none"> ▪ Trainee Associate 	<ul style="list-style-type: none"> ▪ Retailers Association of India (RAI) 	<ul style="list-style-type: none"> ▪ This course teaches students about the modern retail formats that exist in the retailing world of today and will be introducing to how consumers shop in the 21st century. This course is of great interest to students willing to pursue career in the retail industry.

Location	Services	Type	Sector Skill Council	Course Description
	<ul style="list-style-type: none"> ▪ Tourism & Hospitality 	<ul style="list-style-type: none"> ▪ F&B Service Trainee 	<ul style="list-style-type: none"> ▪ Tourism & Hospitality 	<ul style="list-style-type: none"> ▪ This dynamic course is designed to enable students to pursue a career in Tourism and Hospitality industry. Students learn about the various departments their functioning, Food preparation, serving a guest and understanding various guests. Receiving a guest etc.
<u>Training Centre 8 (Calicut)</u>	<ul style="list-style-type: none"> ▪ Retail ▪ IT-ITeS ▪ Tourism & Hospitality 	<ul style="list-style-type: none"> ▪ Trainee Associate ▪ BPO Non Voice ▪ F&B Service Trainee 	<ul style="list-style-type: none"> ▪ Retailers Association of India (RAI) ▪ IT-ITeS Sector Skills Council NASSCOM ▪ Tourism & Hospitality 	<ul style="list-style-type: none"> ▪ This course teaches students about the modern retail formats that exist in the retailing world of today and will be introducing to how consumers shop in the 21st century. This course is of great interest to students willing to pursue career in the retail industry. ▪ This Course on Information Technology gives students an insight into the usage of computers and their functioning using various productive software's such as MS Office. This course opens new vistas to the students to enter the ground level jobs involving Information Technology enabled Services ▪ This dynamic course is designed to enable students to pursue a career in Tourism and Hospitality industry. Students learn about the various departments their functioning, Food preparation, serving a guest and understanding

Location	Services	Type	Sector Skill Council	Course Description
	<ul style="list-style-type: none"> ▪ Security 	<ul style="list-style-type: none"> ▪ Unarmed Security Guard 	<ul style="list-style-type: none"> ▪ Management and Entrepreneurship & Professional 	<p>various guests. Receiving a guest etc.</p> <p>▪ Course on Security provides training for unarmed Security guards for static guarding, Communication Tower and public events, exhibitions, sports events, concerts, road shows, fashion shows, weddings, private parties etc.</p>

Brief description of our Key Business Processes

The Facilities Management – Security industry is characterized by high labor intensive and revenue growth is directly related to growth in deployment of manpower services only. Therefore, key business process to efficiently manage an increasing work force is critical to the success of the business.

1. **Contract Management:** A dedicated group is responsible for assessing contracting terms agreed with clients and ensuring that all contract related documents are kept updated at all times. At the same time, contractual obligations and related statutory requirements are adequately addressed and duly complied with in terms and conditions and pricing of the contract.
2. **Recruitment & Operations:** The security industry is characterized by high volumes and differentiation is demonstrated by the ability to Recruit, Train, Deploy, Oversee, Manage and Replace manpower in a timely and efficient manner. The Operations function is tasked with these activities and a dedicated team of professionals is in place to achieve this. Stringent standards and Standardized Operating Procedures are laid down for each of the sub-functions associated with this. This ensures repeatability and reproducibility across the network thus providing standardized services to the customers at all times and all locations. The operation structure is based on a branch model with each branch owning responsibility for Revenue, Margins and Timely Collections for customer payments. This model lends itself to scale with a standard branch structure that can be replicated quickly and efficiently in order to handle the requirements of growth across geographies.

Being the singular and most important HR function utmost attention is given to the recruitment of our personnel in accordance with stringent parameters as laid down by our Company policy. This includes basic education, age, physical fitness and background. All our employees are subjected to vigorous vetting process. Further, the Internal Security department in each region is responsible for cross verification and background checks with service records of each employee. Attributes which we seek in a KAPSTON personnel are- Age, Physically & Mental standards, Education, Communication Skills, Reference Check, Telephonic Verification, Previous Employment Verification

3. **Labour Compliance:** Owing to the labour intensity of the business, Labour Statutory Compliance is a critical business requirement. A distinct function reporting to the Board/MD is setup for this. They are tasked with ensuring that the company is compliant with all Labour Related Statutory requirements in terms of remittances, filing of returns, employee welfare and the submission of relevant documentation to customers to fulfill their compliance requirements.

4. **Payroll & Invoicing:** With salary and wages being the single largest cost element in the business, efficiency in this function is of utmost importance to ensure correct and timely remittances to employees and government. For this purpose, a separate department has been set up. This department works in close coordination with the Contract Management and Operations Department to ensure that wage costs are computed as per contract and actual deployment. This also is the basis for revenue recognition and invoicing to the customer. The correlation between payroll and invoicing is the fundamental basis of Revenue & Margins and thus optimizing unit economics.
5. **Finance & Accounts:** F&A is tasked with maintain accurate books of accounts, maintain working capital requirements, monitoring cash flows and compilation of regular MIS for the purpose of expedient decisions making.
6. **Skilled Business Development:** Kapston is one of few companies in this industry to have a dedicated, widespread and skilled business development team lead by a senior professional, reporting directly to the Managing Director. This has ensured a continuous pipeline of prospective opportunities which generate additional business which compensates for lost business.
7. **Employees and Human Resources:** This department ensures that adequate resources are available for deployment at customer sites as well as for supervision and management of contracts. In addition, employee welfare, grievance handling and an attractive incentive structure has been institutionalized by the HR department.
8. **IT & Technology:** Currently Kapston uses third party software to manage F&A, Payroll and HR.
9. **Environment, Health and safety:** Our Company endeavours to adopt necessary systems such as establishing a system, monitoring and regulating all the health and safety measures to be adopted; providing safe working environment for employees and workers; maintaining and following preventive maintenance schedule and providing information and training to the employees and workers for carrying out safe working operations and carrying out operations taking environmental safety into consideration. We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted a health and safety policy that is aimed at ensuring the safety of our employees and the people working at our customer sites or under our management. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. We have implemented work safety measures to ensure a safe working environment at our customer's sites and to the general public.

Our Company is committed to provide a safe, clean and healthy environment and conduct its business and services in a manner so as to prevent harm to people and damage to environment or property. Our Company endeavours to handle the Environment, Health and Safety (EHS) issues with the same responsibility as issues concerning quality, productivity, profitability and cost-efficiency. Our Company actively manages the EHS norms as an integral part of our business, operations and practices.

10. **Corporate Social Responsibility:** At Kapston, we believe in giving back to the society. Sensing the International environment, there is an urgent need to enhance the competency levels of the youth towards internal security equations, as also to address the country's security concerns. In our quest to support this mission for persons 'Below Poverty Line', we are also providing free food, accommodation and uniforms for the entire duration of three months training period, with grants received from the Central Government. We regularly enter into informal NGO Collaborations to render such services and organize Blood donation camps for the betterment of society.

11. Processes under development:

- **Internal Audit:** Kapston is in the process of establishing an Internal Audit mechanism that will substantiate its control mechanisms. An external agency will be appointed to create the structure for the same as well as to perform the audit
- **ERP:** Kapston has begun evaluation of several ERP systems available in the market and is considering the purchase and installation of such a system. This will create seamless integration between departments & processes, ensure better controls, provide accurate and timely information and facilitate scale without increasing fixed costs

Utilities

Our Company is operating in the security and facility management industry, which falls under the service sector. Thus, other than the basic water, fuel and electricity requirements at our Branch Offices and Training centres, our operations are not power, fuel or water intensive. These basic requirements are fulfilled by local suppliers

Past Production Figures Industry-wise

The industry is highly fragmented and is dominated by large number of players. For details of the industry data please refer to section titled “Industry Overview” beginning on page 81 of this Draft Prospectus.

Property Details:

No	Description of Property	Area	Date of Agreement/ Conveyance Deed	Agreements/Deed	Seller/ Lessor
1.	<u>Owned Land:</u> Nagaram Revenue Village and Grampanchayat, Maheshwaram Mandal, Ranga Reddy District, vide patta no. 251, Pass Book No. Z135673.	4 Acre 3 guntas	June 26, 2016	Sale Deed	Sri Ameerpet Ramchandraiah and others
2.	<u>Registered office:</u> Plot No. 287, MIG - 2, IX Phase, KPHB, Kukatpally, Hyderabad - 500 072	1244 Sq.ft	14/08/2017	Rental Agreement	Sri Rayapudi Ganesh Srinivas
3.	<u>Corporate Office:</u> #1-98/9/3/23, Plot No. 12E, Jaihind Colony, Madhapur, Hyderabad - 500081	4750 Sq.ft	01/05/2016	Lease deed	Mr. B Santosh Kumar and Mr. B Sanjeev Kumar

No	Description of Property	Area	Date of Agreement/ Conveyance Deed	Agreements/Deed	Seller/ Lessor
4.	<u>Branch 1(Vishakhapatnam):</u> 50-49-25/1, 2nd Floor, TPT Colony, Seethammadhara, Opp. NRI Hospital, Vishakapatnam – 530013.	1500 Sq.ft	01/06/2017	Rental Agreement	Mr. J.Satya Rao
5.	<u>Branch 2 (Vijaywada):</u> GF-4, Anjana Apartments, Water tank road, Labbipet, Vijayawada – 520010.	750 Sq.Ft	24/11/2016	Rental Agreement	Smt.Kesana Lakshmi Kumari
6.	<u>Branch 3 (Chennai):</u> #5/643, Plot No 61, Annai Indira Nagar main road, Okkiyam, Thoraipakkam, Chennai – 600097.	950sq.ft	02/02/2018	Rental Agreement	Mr. V.S Arunachalam
7.	<u>Branch 4 (Bengluru):</u> #4bc-827,HRBR,1st Block, 4th B Cross, Banaswadi, Bangalore- 5600081.	1300Sq.ft	23/12/2017	Rental Agreement	Mr. V.Gowramma
8.	<u>Training Centre 1 (Hyderabad):</u> Survey No. 132 & 133, Kandlakoya, Kompally, Hyderabad-501401	26300sq.ft	04/04/2017	Rental Agreement	Mr.Arigala Snehalatha
9.	<u>Training Centre 2 (Hyderabad):</u> H.No. 1-1-31/1, Budvel, Under GHMC, Rajendranagar Circle, Rangareddy, Hyderabad- 500030.	3500 Sq.ft	22/01/2016	Rental Agreement	Sri.Pendyala Dayakar
10.	<u>Training Centre 3 (Gulbarga):</u> #No-11,SY NO 39/3, Naganahalli road, Near	6300sq.ft	01/08/2017	Leave & License Agreement	Smt.Basamma Gobbur

No	Description of Property	Area	Date of Agreement/ Conveyance Deed	Agreements/Deed	Seller/ Lessor
	Koranti Temple ,Gulbarga , Karnataka - 585102				
11.	<u>Training Centre 4 (Guwahati):</u> Ananda Nagar, Sixmile, Guwahati, Assam – 781022.	2643Sq.ft	07/04/2017	Agreement of Tenancy	Mr. Haren Barmen
12.	<u>Training Centre 5 (Guwahati):</u> #210, Bishnu Nagar, Panjabari, Satgaon Road, Opp ASRLM, Guwahati, Assam- 781037.	6000Sq.Ft	15/08/2017	Agreement of Tenancy	Mr. Abani Barman
13.	<u>Training Centre 6 (Aurangabad):</u> Plot No. P-4, Near Bajaj Bhavan, MIDC Railway Station, Aurangabad- 431005	1400Sq.ft	01/05/2017	Leave & License Agreement	Society for Action in Creative Education & Development (SACRED)
14.	<u>Training Centre 7 (Bhubaneshwar):</u> TITE College, F/12, IID Center Barunei, Khurdha, Odisha – 751012	5000Sq.ft	24/03/2017	Agreement of Lease	Mr.Balakrishna Sahoo
15.	<u>Training Centre 8 (Calicut):</u> #5/s35-G&G1, 6th Floor, Above Kotak Mahindra Bank, City Gallery, Kannur Road, Calicut- 673001	3472Sq.ft	01/07/2017	Leave & License Agreement	K.Abdulla, K.Sara, K.P.Kuttiali, K.Mahamood, V.Sakeena

Intellectual Property Rights:

Our Company has made an application dated February 26, 2018, for registration of our logo  with the Trade Marks Registry under class 37 and 45 which is pending for approval as on the date of this Draft Prospectus.

Competition

Providing Facility Management Services, Security Guards and other supporting staff for different organization and we also provide training to personnel and we face competition from all types of service we provide. The industry is largely composed of both, established names as well many small and medium-sized companies and entities. Among listed companies, we face competition from major players such as Security and Intelligence Services (India) Limited and Quess Corp Limited. We intend to continue competing vigorously to increase our market share and manage our growth in an optimal way.

Approach to Marketing and Marketing Set-up

Our Company adopts direct marketing approach. Our senior management helps in procuring Contracts. Our Marketing is under the control of our Managing Director and is supported by his subordinates considering the importance and sensitive nature of the Department. To procure contracts from Private Clients, our Company on continuous basis collects market information and makes presentation to Consultants.

Insurance

We believe that we maintain all material insurance policies that are customary for companies operating in businesses. We have availed group personal Accident Insurance policy for 115 employees of the company. Fire & Allied Perils, Burglary, Plate Glass, Electronic Equipment, Machinery Breakdown and Money (In Transit & Cash in safe/Draw/Till) at Corporate Office (*Madhapur, Hyderabad*) of our Company. We also have availed Fire-Contents, Burglary, Money Insurance, fixed glass and sanitary fittings, Damage to electronic equipment, Portable equipment, Breakdown of office appliance and public liability Insurance for our registered office (*Kukatpally, Hyderabad*) of our company. Company have availed Insurance for Motor Vehicles.

Employees and Human Resources

We categorize our employees as ‘billable’ employees who are deployed at customer premises and ‘non-billable’ employees. As on the date of this Draft Prospectus, our Company has 229 full time employees in addition to our management, who look after the administrative, operations, sales & marketing, legal & secretarial, accounting functions and business operations, with billable employees of 3785 security personnel and 2380 facility management staff. The historical breakdown of our employees by ‘billable’ and ‘non-billable’ employees is as follows:

Particulars	Number of Employees as of		
	December 31, 2017	March 31, 2017	March 31, 2016
Billable	6165	5443	4440
Non-Billable	229	183	217
Total	6394	5626	4657

The historical breakdown of our Billable employees by business lines is as follows:

Business Line		Number of Employees as of on		
		December 31, 2017	March 31, 2017	March 31, 2016
Security Services	Manned Guarding	3721	2437	2132
	Escort Guarding	50	50	50
	Fire Fighting	14	7	8
Facility Management	House Keeping	1890	1668	1096
	Office Support & Staffing (Business Support Services)	43	59	43
	Engineering & Maintenance (Electro, Mechanical & Technical Services)	170	14	13
	Landscaping & Garden Maintenance	-	17	13
	Pantry Management Services	215	148	156
	Valet services	62	40	22
Total		6165	5443	4440

We maintain a Dog Squad which forms part of our security services. We also provide security services for management of various mega events like music and dance concerts, business summits, conferences, award functions, amongst others. Our company has not appointed specific security personnel for such purposes but if required we shift our guards for that particular event.

Our performance parameters and employee assessment are allied with capability analysis of each employee, resulting in an identification of high performing employees as well as underperforming employees which may require additional training. The employee rating is based on key performance indicators computed using data collected from our ERP systems. The employee performance score forms the basis of the rating and annual compensation revision and any incentives. We also aggregate these results for each branch to generate a branch scorecard and assess branch performance and remuneration of our branch managers.

Remuneration for certain managerial employees comprises of a fixed component together with performance linked benefits in the form of annual increments, bonus or incentives at the discretion of management based on specified performance parameters. In addition, we occasionally announce incentive schemes at the beginning of a Fiscal Year which is based on key financial performance parameters to be achieved.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of certain key regulations and policies prescribed by the government which are applicable to our Company.

The information detailed in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations set out below is not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

For details of approvals obtained by our Company, see “Government and Other Approvals” on page 204 of this Draft Prospectus.

Following is an overview of some of the important laws and regulations, which are relevant to our business.

INDUSTRY-SPECIFIC REGULATIONS:

The Micro, Small and Medium Enterprises Development Act, 2006:

Our company is registered as SME with the District Industries Center. Small and Medium scale enterprises (SMEs) are understood in India as enterprises where the investment in equipment is between ₹10 lakhs to ₹2 crores in case of a service sector enterprise. This definition is provided in Section 7 of Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) and was notified in September 2006. The Act provides for classification of enterprises based on their investment size and the nature of the activity undertaken by that enterprise. As per cabinet decision on February 7, 2018 if annual turnover of the Company more than Rs.75 Crore but does not exceed ₹ 250 Crore.

Private Security Agencies (Regulation) Act, 2005

The PSARA is the primary legislation for the regulation of private security agencies in India. Any person or body of persons other than a government agency, department or organization engaged in the business of (a) providing private security services or (b) providing training to private security guards or their supervisors or (c) providing private security guards to any industrial or business undertaking or a company or any other person or property, are regulated by the PSARA, and are required to obtain a license for undertaking such activities.

Conditions for commencement of operations and engagement of supervisors outlined in the PSARA require the licensee to inter alia, commence activities within six months of obtaining the license, impart training and skills to its private security guards and supervisors and employ such number of supervisors as specified under the state specific rules. Every private security agency is required to maintain a register containing details of its managers, private security guards, customers and other prescribed details as may be specified by respective state governments. In the event of non-compliance with conditions prescribed in the PSARA, namely, appointment of eligible staff or failure to impart requisite training, the private security agency shall be punishable. Additionally, upon non-compliance with laws mentioned below, the licenses under the PSARA of private security agencies may be cancelled:

- (i) The Payment of Wages Act, 1936
- (ii) The Minimum Wages Act, 1948
- (iii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- (iv) The Payment of Bonus Act, 1965
- (v) The Contract Labour (Regulation and Abolition) Act, 1970
- (vi) The Payment of Gratuity Act, 1972
- (vii) The Equal Remuneration Act, 1976
- (viii) The Industrial Disputes Act, 1947
- (ix) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

Rules for administration of Private Security Agencies

The Central Government has framed the Private Securities Agencies Central Model Rules, 2006 (“**PSA Model Rules**”). Further, State Governments, while making any rules in respect of matters under the PSARA, are required to conform to the Model Rules. The Model Rule set out, *inter alia*, the verification process for private security agencies, conditions of training, standard of physical fitness for security guards, minimum number of supervisors, manner of application/renewal and conditions of license. Pursuant to the Model Rules, numerous states have framed rules in relation to registration and licensing of private security agencies.

Company has taken PSARA approvals in the name of company from relevant different authorities are specified in detail under chapter “Government and other approvals” on page 204.

Shops and commercial establishment's legislations

A number of states in India, including Telangana, Andhra Pradesh, Karnataka and Tamil Nadu have passed laws for regulating shops and commercial establishments. Such laws require registrations to be obtained, and also regulate working hours, payment of wages, leave, holidays, terms of service and other conditions of work of persons employed in shops and commercial establishments. Contraventions of provisions of such laws may entail punishment such as imprisonment along with monetary penalty.

LABOUR LAWS:

Depending upon the nature of the activities undertaken by our Company, certain applicable labour laws and regulations include the following:

Child Labour (Prohibition and Regulation) Act, 1986

The Child Labour (Prohibition and Regulation) Act, 1986, (“CLPRA Act”) provides for prohibiting engagement of children below 14 years in factories, mines and hazardous employments and regulates the conditions of their employment in certain other employments. The CLPRA Act aims to regulate the number of hours, period of work and holidays to be given to child labourers. It specifies that the employer has to mandatorily furnish certain information regarding employment of child labour to the inspector and maintain a register which would contain details regarding the child labourers. The CLPRA Act also provides for health and safety measures to be complied with by the employer.

Inter State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979 (“ISMW Act”)

The ISMW Act regulates the employment of inter-state migrant workmen and provides for their conditions of services and for matter connected therewith. Under the provisions of the ISMW Act, every principal employer of an establishment which employs five or more inter-state migrant workmen (whether or not in addition to other

workmen) on any day of the preceding 12 months has to register his establishment under ISMW Act. The ISMW Act also requires the principal employers and contractors to maintain registers with such details of the migrant workmen as may be prescribed. Any violation of the provisions of the ISMW Act and Rules prescribed thereunder is imprisonment which may extend to two years or with fine which may extend to ₹2,000 or with both.

Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWPPR Act”) aims to provide women protection against sexual harassment at the workplace and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines ‘sexual harassment’ to include any unwelcome acts or a sexually determined behaviour (inter alia whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organisations, non-governmental organisations, organisations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an ‘internal complaints committee’ at each office or branch, of an organization employing at least 10 employees. Factors like mental trauma, medical expenses, loss in the career opportunity and income shall be taken into account while determining compensation. The duties of the employer and the district officer are provided in the SHWPPR Act.

The Apprentices Act, 1961

The Apprentices Act, 1961, as amended regulates and controls the programme of training of apprentices and matters connected therewith. The term ‘apprentice’ means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. ‘Apprenticeship training’ means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor within 30 days from the date of the receipt of such contract by the employer.

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA Act”) requires companies employing 20 or more contract labourers to be registered and prescribes certain obligations with respect to welfare and health of contract labourers. The CLRA Act shall not apply to such establishments in which work is only of an intermittent or casual nature. Both the establishment and the contractor are to be registered with the registering officer. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid and 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 such time as maybe prescribed.

The Employees’ State Insurance Act, 1948

The Employees’ State Insurance Act, 1948 (“ESI Act”) provides for certain benefits to employees in case of sickness, maternity and employment injury and certain other matters in relation thereto. 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 required to register such factory or establishment under the ESI Act and maintain prescribed records and registers. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages up to ₹15,000 per month is entitled to be insured under the ESI Act.

The Employees Compensation Act, 1923

The Employees Compensation Act, 1923 (“EC Act”), provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of receiving a notice.

The Equal Remuneration Act, 1976

The Equal Remuneration Act, 1976, as amended (“ER Act”) provides for the payment of equal remuneration to men and women workers for same or similar nature of work and prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law. It also provides that every employer should maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.

The Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961, as amended (“Maternity Benefit Act”) on 1st April, 2017 regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. However, the relevant provision on the “work from home” option will come into effect from 1st July 2017. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. The maximum period for which any woman shall be entitled to maternity benefit shall be 26 weeks, of which not more than Eight weeks shall precede the date of her expected delivery. For women who are expecting after having 2 children, the duration of paid maternity leave shall be 12 weeks (i.e., 6 weeks pre and 6 weeks post expected date of delivery). It also provides that every woman who adopts a child shall be entitled to 12 weeks of maternity leave, from the date of adoption. The MB Amendment Act has also introduced an enabling provision relating to “work from home” for women, which may be exercised after the expiry of the 26 weeks’ leave period depending on nature of work. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy. The MB Amendment Act makes crèche facility mandatory for every establishment employing 50 or more employees. Women employees would be permitted to visit the crèche 4 times during the day.

The Minimum Wages Act, 1948

Under the Minimum Wages Act, 1948 (“Minimum Wages Act”) every employer is mandated to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, manual or clerical (including outworkers) in any employment listed in the schedule to the Minimum Wages Act, in respect of which minimum rates of wages have been fixed or revised under the Minimum Wages Act. The Payment of Bonus Act, 1965 The Payment of Bonus Act, 1965, as amended provides for payment of bonus on the basis of profit or on the basis of production or productivity to persons employed in factories or in establishments employing 20 or more persons on any day during an accounting year. It ensures that a minimum bonus is payable to every employee regardless of whether the employer has any allocable surplus in the accounting year in which the bonus is payable. The employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or ₹100, whichever is higher, provided that an employee has worked in the establishment for not less than 30 working days in that year.

The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 as amended (“Gratuity Act”) provides for payment of gratuity to an employee at the time of termination of services. The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in establishments in which 10 or more persons are employed or were employed on any day of the preceding 12 months; and as the Central Government may, by notification, specify. Gratuity under the Gratuity Act, is payable to an employee after he has rendered his continuous service for a period not less than five years: (a) on his/her superannuation; (b) on his/her retirement or resignation; or (c) on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

The Employees Provident Funds and Miscellaneous Provisions Act, 1952

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress. The Act is administered by the Government of India through the Employees’ Provident Fund Organization (EPFO).

The following three schemes have been framed under the Act by the Central Government:

- (a) The Employees’ Provident Fund Schemes, 1952;
- (b) The Employees’ Pension Scheme, 1995; and
- (c) The Employees’ Deposit-Linked Insurance Scheme; 1976.

The Central Government has been constituted Employees’ Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such by Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 as amended (“Payment of Wages Act”) has been enacted to regulate the payment of wages in a particular form at regular intervals without unauthorized deductions and to ensure a speedy and effective remedy to employees against illegal deductions and/or unjustified delay caused in paying wages. It applies to the persons employed in a factory, industrial or other establishment, whether directly or indirectly, through a sub-contractor and provides for the imposition of fines and deductions and lays down wage periods. The Payment of Wages Act is applicable to factories and industrial or other establishments where the monthly wages payable are less than ₹6,500 per month or such other higher sum as the Central Government may by notification specify.

The Payment Of Bonus Act, 1965

The Payment of Bonus Act, 1965 as amended (the “**Payment of Bonus Act**”) was enacted to provide for the payment of bonus to persons employed in establishments where 20 or more persons are employed on any day during an accounting year. The Payment of Bonus Act ensures that a minimum annual bonus is payable to every employee regardless of whether the employer any allocable surplus in the accounting year in which the bonus is payable. Under the Payment of Bonus Act, every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or ₹100, whichever is higher. Contravention of the provisions of the Payment of Bonus Act by a company is punishable with imprisonment for a term of up to six months or a fine of up to ₹1,000 or both, against persons in charge of, and responsible to the company for the conduct of the business of the company at the time of contravention, as well as the company.

TAX LAWS:

Income Tax Act, 1961

The government of India imposes an income tax on taxable income of all *persons* including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

The Central Goods and Services Tax Act, 2017:

The GST Act levies tax on supply of goods and services throughout India to replace multiple taxes levied by the Central and State Governments on production, supply and sale of goods and providing of services in India. The GST Act is applicable from July 1, 2017 and bound together the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Under GST, goods and services are taxed under five different categories that are 0%, 5%, 12%, 18%, 28%. GST is levied on all transactions such as supply, transfer, purchase, barter, lease, or import of goods and/or services. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption based tax, therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

The Profession Tax Act

We are subject to the provisions of state specific legislations in relation to tax on professions, trades, callings and employments is regulated and the rules prescribed under such legislations (“**Profession Tax Acts**”). The Profession Tax Acts provide for the levy and collection of a tax on professions, trades, callings and employment for the benefit of the particular state. Such regulations provide for the employer’s liability to deduct and pay taxes on behalf of their employees, meeting employer’s registration and enrolment requirement, filing of returns, payment of advance taxes and other matter regarding payment of tax or in case of non-payment.

INTELLECTUAL PROPERTY LAWS:

The Trademarks Act, 1999 (the “**Trademarks Act**”) provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks. Our Company has applied for trademark to the Trade Mark Registry and details are specified in detail under chapter “Government and other approvals” on page 204.

OTHER LAWS AND REGULATIONS:

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Central or the State for its day-to-day operations. Our Company is also amenable to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as a private limited company, at Andhra Pradesh, India under the Companies Act, 1956 in the name of Kapston Facilities Management Private Limited vide Certificate of Incorporation dated January 31, 2009. Subsequently, pursuant to conversion of our Company to a public limited company, a fresh certificate of incorporation was issued by RoC, Hyderabad on January 29, 2018.

Changes in registered office of our Company since incorporation

Date	Change From	Change To	Reason for change
February 06, 2009	1-1-58, Room No. 12, Third Floor, Srinath Commercial Complex, S D Road, Secunderabad- 500003, Hyderabad, Andhra Pradesh-AP, India	Plot No.287, MIG-2, IX Phase, KPHB, Kukatpally, Hyderabad-500072, Andhra Pradesh-AP	Administrative Purpose

Main Objects

The main objects of our Company as contained in its Memorandum of Association are:

1. To carry on the business of event management conducting, providing and managing security, housekeeping, engineering and maintenance, horticulture, landscaping maintenance horticulture plants, green plants in office, maintenance of landscaping and lawns in office and residences.
2. To carry on the business of catering services mandapams services, maintenance of office premises, factories, booking of spaces and rooms for travelling and related activities.
3. To carry on the business of skills development projects and to impart training in skill development, vocational training courses on various trades and domains to under privileged youth to make them employable.

The main objects clause and objects incidental or ancillary to the main objects as contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to the Memorandum of Association of our Company

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

No.	Date of Amendment / Shareholders Resolution	Amendment
1.	March 25, 2014	<u>Change in authorised share capital:</u> Increased Authorised Share Capital from ₹1,00,000 comprising of 10,000 equity shares of ₹10 each to ₹50,00,000 comprising of 5,00,000 equity shares of ₹10 each.

No.	Date of Amendment / Shareholders Resolution	Amendment
2.	December 05, 2014	<u>Change in main object clause:</u> Clause III (A) has been altered by insertion of the following new sub- clause III (A) (3): “To carry on the business of skills development projects and to impart training in skill development, vocational training courses on various trades and domains to under privileged youth to make them employable.”
3.	April 11, 2015	<u>Change in authorised share capital:</u> Increased Authorised Share Capital from ₹50,00,000 comprising of 5,00,000 equity shares of ₹10 each to ₹2,00,00,000 comprising of 20,00,000 equity shares of ₹10 each.
4.	April 11, 2015	<u>Change in Clause II:</u> Clause II had been altered by substituting the word “Telangana” for the words “Andhra Pradesh”.
5.	April 11, 2015	<u>Change in Clause III (C):</u> The Other Objects (serially numbered 1 to 7) as contained in Clause III (C) had been deleted.
6.	January 11, 2018	<u>Conversion from private limited to public limited:</u> Clause I of the Memorandum of Association was altered to reflect the conversion of our Company from private limited to public limited, i.e. “Kapston Facilities Management Limited”.
7.	February 14, 2018	<u>Change in authorised share capital:</u> Increased Authorised Share Capital from ₹2,00,00,000 comprising of 20,00,000 equity shares of ₹10 each to ₹9,00,00,000 comprising of 90,00,000 equity shares of ₹10 each.

Shareholders of our Company

As on the date of this Draft Prospectus, our Company has nine (9) shareholders. For further details in relation to the current shareholding pattern, please refer to section titled "Capital Structure" beginning on page 57 of this Draft Prospectus.

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Year	Key Milestones
2009	Incorporation of our Company
2011	Acquired new corporate office in Hitech city
2012	Part of Andhra Pradesh project-Employment Generation and Marketing Mission (EGMM)
2013	Set up our first branch in Bangalore in the state of Karnataka.
2014	Set up our state-of-the-art Training Academy in a two and a half acre campus at Kompally, Hyderabad with a capacity of training 4000 students annually.
2014	We are implementing the prestigious Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU – GKY) which was formerly known as “Aajeevika Skills” project under the Ministry of Rural Development (MoRD) in Karnataka, Odisha, Assam, Kerala and Maharashtra.
2014	We are honored to be a part of ‘Rajiv Yuva Kiranalu’ a prestigious program under the Government of Andhra Pradesh.
2015	We are partners with the “National Skills Development Corporation”(NSDC) and have undertaken a target to train and provide employment to over One Lakh unemployed youth by 2025 in various segment.
2016	Acquired Land near Hyderabad Airport of 4 acre 3 guntas to establish our own training academy.
2018	Converted from private to public limited company.

Other Details Regarding our Company

For information on our activities, services, growth, technology, geographical presence, market, managerial competence, our standing with reference to our prominent competitors and major customers and suppliers, please refer to sections titled "Our Business"; "Industry Overview"; "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 99; 81; 17 and 188; respectively of this Draft Prospectus. For details of our management, please refer to section titled "Our Management" beginning on page 134 of this Draft Prospectus.

Time and Cost Overrun

There have been no time/cost overruns pertaining to our business operations since incorporation.

Strikes or Labour Unrest

Our Company has not lost any time on account of strikes or labour unrest as on the date of this Draft Prospectus.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

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

Injunction or restraining order

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

Capital raising (Debt / Equity)

Except as set out in the sections titled "Capital Structure" and "Financial Indebtedness" beginning on pages 57 and 198 respectively of this Draft Prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

Changes in the activities of our Company during the last five (5) years

There have been no changes in the activity of our Company during the last five (5) years preceding the date of this Draft Prospectus, which may have had a material effect on the profits or loss, including discontinuance of the lines of business, loss of agencies or markets and similar factors of our Company.

Revaluation of Assets

Our Company has not revalued its assets as on the date of this Draft Prospectus.

Awards and Accreditations

We have received the following accreditations:

No.	Issuing Authority	Certification	Certification No.	Date of granting License/ Approval	Validity
1.	Guardian Independent Certification Ltd.	ISO 9001:2008 for providing integrated facility management services for security, housekeeping, M & E (Electro Mechanical) and Landscaping (Horticulture)	735977	May 07, 2015	May 06, 2018
2.	Guardian Independent Certification Ltd.	OHSAS 18001:2007 for providing integrated facility management services for security, housekeeping, M & E (Electro Mechanical), Pest Control and Landscaping (Horticulture)	736249	June 29, 2016	June 28, 2019

Our Company has received various appreciation certificates from its clients and is member of various renowned institutions, the names of the member institutions are stated below:

- The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI),
- International Institute of Security and Safety Management (IISSM)
- Society for Cyberabad Security Council(SCSC)
- Association of Private Security Agencies(APSA)
- Central Association of Private Security Industry (CAPSI)
- Security Sector Skill Development Council (SSSDC)

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.

Our Company has not acquired any business or undertaking or entered into any scheme of merger or amalgamation since incorporation.

Other Agreements

Our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the two (2) years preceding this Draft Prospectus.

Holding Company

Our Company does not have a holding company as on the date of this Draft Prospectus.

Subsidiaries of our Company

As on the date of this Draft Prospectus, our Company does not have any subsidiary.

Collaboration Agreements

As on the date of this Draft Prospectus, our Company is not a party to any collaboration agreements.

Shareholders Agreements

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

Material Agreements

Our Company has not entered into any material agreements, other than the agreements entered into by it in normal course of its business.

Joint Venture Agreement

Our Company has not entered into any material joint venture agreements except as disclosed under this section.

Other Agreements

Our Company has not entered into any other material agreements, other than in the normal course of its business.

Strategic Partners

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.

Changes in Accounting Policies in last three (3) years

Our Company has not changed its accounting policies in the last three (3) years.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association our Company shall not appoint less than three (3) and more than fourteen (14) Directors. Currently, our Board consists of five (5) Directors which includes one (1) Non-Executive Director., two (2) Executive Directors and two (2) Independent Directors of which one is Chairman.

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

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation and DIN	Age (in years)	Other Directorships as on the date of this Draft Prospectus
Mr. Srikanth Kodali <u>Designation:</u> Managing Director <u>Address:</u> Villa No.120, Indu Fortune fields,13th Phase, KPHB Colony, Kukatpally, Tirumalagiri, Hyderabad-500072, Telangana, India. <u>Date of re-designation:</u> January 29, 2018 <u>Term:</u> Three (3) years from January 29, 2018 <u>Nationality:</u> Indian <u>Occupation:</u> Business <u>DIN:</u> 02464623	44 years	<u>Public Limited Entities:</u> <ul style="list-style-type: none"> ▪ Nil <u>Private Limited Entities:</u> <ul style="list-style-type: none"> ▪ Nil. <u>Foreign Entities:</u> <ul style="list-style-type: none"> ▪ Nil
Mrs. Kanti Kiran Doddapaneni <u>Designation:</u> Whole Time Director <u>Address:</u> Villa No. 120, Indu Fortune fields,13th Phase, KPHB Colony, Kukatpally, Tirumalagiri, Hyderabad-500072, Telangana, India. <u>Date of Re-designation:</u> January 29,2018 <u>Term:</u> Three (3) years from January 29, 2018 <u>Nationality:</u> Indian <u>Occupation:</u> Service Employee <u>DIN:</u> 07420023	38 years	<u>Public Limited Entities:</u> <ul style="list-style-type: none"> ▪ Nil <u>Private Limited Entities:</u> <ul style="list-style-type: none"> ▪ Nil <u>Foreign Entities:</u> <ul style="list-style-type: none"> ▪ Nil

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation and DIN	Age (in years)	Other Directorships as on the date of this Draft Prospectus
Mr. Radha Krishna Pinnamaneni <u>Designation:</u> Non-Executive Director <u>Address:</u> 503, HIG 53 and 54, Panchavati VI Phase KPHB Colony, Ranga Reddy, District, Hyderabad-500072, Telangana, India. <u>Date of Re-designation:</u> February 8, 2018 <u>Term:</u> Liable to Retire by Rotation <u>Nationality:</u> Indian <u>Occupation:</u> Business <u>DIN:</u> 03324910	57 years	<u>Public Limited Entities:</u> <ul style="list-style-type: none"> ▪ Nil <u>Private Limited Entities:</u> <ul style="list-style-type: none"> ▪ Nil <u>Foreign Entities:</u> <ul style="list-style-type: none"> ▪ Nil
Mr. Chereddi Ramchandra Naidu <u>Designation:</u> Chairman & Independent Director <u>Address:</u> Plot No.-63, Prashasan Nagar, Road No-72, Jubilee Hills, Hyderabad-500033. <u>Date of appointment:</u> February 22, 2018 <u>Term:</u> Five (5) years from February 22, 2018 <u>Nationality:</u> Indian <u>Occupation:</u> Business <u>DIN:</u> 02096757	68 years	<u>Public Limited Entities:</u> <ul style="list-style-type: none"> ▪ Nil <u>Private Limited Entities:</u> <ul style="list-style-type: none"> ▪ Cap Workforce Development Institute Private Limited ▪ Sriam Life Sciences Private Limited (This is in under process of striking off) <u>Foreign Entities:</u> <ul style="list-style-type: none"> ▪ Nil
Mr. Naveen Nandigam <u>Designation:</u> Independent Director <u>Address:</u> H No. 1-3-183/40/21/E, Plot No. 9, P and T Colony, Kavadiguda, Gandhi Nahar, Hyderabad, Telangana-500080. <u>Date of appointment:</u> February 22, 2018 <u>Term:</u> Five (5) years from February 22, 2018	56 years	<u>Public Limited Entities:</u> <ul style="list-style-type: none"> ▪ Tanvi Foods (India) Limited ▪ Avantel Limited ▪ Sai Silks (Kalamandir) Limited <u>Private Limited Entities:</u> <ul style="list-style-type: none"> ▪ Nil <u>Foreign Entities:</u>

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation and DIN	Age (in years)	Other Directorships as on the date of this Draft Prospectus
<u>Nationality:</u> Indian		<input checked="" type="checkbox"/> Nil
<u>Occupation:</u> Chartered Accountant (Professional)		
<u>DIN:</u> 02726620		

Family Relationships between the Directors

None of the directors are related to each other in terms of the definition of 'relative' under Section 2(77) of the Companies Act, except as set out below:

Name	Relationship
Mr. Srikanth Kodali and Mrs. Kanti Kiran Doddapaneni	Spouse

Brief biographies of the Directors

1. **Mr. Srikanth Kodali**, aged 44 years, is the Promoter and Managing Director of our Company. He has been re-designated as Managing Director of the Company with effect from January 29, 2018. He is a Commerce Graduate. Apart from rich experience of over a decade in facilities management and security services, he also has diverse experience in fields such as digital designing & printing, construction and expertise in marketing, financial management and client retention. He is the guiding force behind the strategic decisions of our Company and has been instrumental in formulating the overall business strategy and developing business and client relations of the Company.
2. **Mr. Radha Krishna Pinnamaneni**, aged 57 years, is a Promoter and Non-Executive Director of our Company. He has been re-designated as on February 8, 2018. He is a Commerce Graduate. He has 25 years of entrepreneurial experience from founding and building a unique enterprise. He has experience to work with different types of business and organization like R. K. Builders, Hanumans Traders, Global Chits & Finance Corporation. In our organisation he is looking after all business plans from the expansion of organisation and ensuring daily functioning goes smooth at all levels of the Company.
3. **Mrs. Kanti Kiran Doddapaneni**, aged 38 years, is a Whole Time director of our Company. She has been associated with our Company from January 11, 2018. She holds Bachelors' Degree in Science from Osmania University. Also she has done her Masters in performing arts in Dance from University of Hyderabad. She is responsible for the administration and human resource related operations of the Company.
4. **Mr. Chereddi Ramachandra Naidu**, aged 68 years, is the Independent Director of our Company. He has recently been associated with our Company since 2018. He has obtained his degree in Commerce and management studies from Andhra university, Visakhapatnam. He was Inspector General of Police in state of combined state of Andhra Pradesh and retired on October 31, 2007. He has expertise in human resource management, industrial relations, strategy and project management.
5. **Mr. Naveen Nandigam**, aged 56 years, is an Independent Director of our Company. He has recently been associated with our Company since 2018. He is a fellow member of Institute of Chartered Accountants of India (ICAI) and he has been in CA practice since 1990 and in the year 1993 having a passionate interest in making a difference to the student community he started DIGVIJAY Coaching Center at Hyderabad to provide

professional coaching to students pursuing CA, CS, CWA courses in India. Over the past 17 years, his committed passion with his team of faculties has produced more than 1000 CA, CS and CWA fully qualified professionals in India. He continuously balances his CA profession as well as his coaching assignments with each other.

Common directorships of the Directors in companies whose shares are/were suspended from trading on the BSE and/ or the NSE for a period beginning from five (5) years prior to the date of this Draft Prospectus.

None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.

Director's association with the Securities Market

None of the Directors of our Company are associated with securities market.

Common directorships of the Directors in listed companies that have been/were delisted from stock exchange in India

None of our Directors are/ were directors of any entity whose shares were delisted from any Stock Exchange(s). Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other regulatory authority.

Remuneration to Non-Executive Directors:

Mr. Radha Krishna Pinnameneni is Non-Executive Director. As per latest audited financial statement he has not received any sitting fees or remuneration.

Mr. Chereddi Ramachandra and Mr. Naveen Nandigam was appointed as on February 22, 2018 as Non-Executive, Independent Director at sitting fees of Rs. 50,000 per meeting.

Remuneration to Executive Directors

1. **Mr. Srikanth Kodali**, is the Promoter and Managing Director of our Company and was re-designated by way of a board resolution and Shareholder's resolution dated January 29, 2018 for a period of three (3) years commencing from January 29, 2018 till January 28, 2021. His terms of appointment have been laid down under the MD Agreement dated January 29, 2018. The significant terms of his employment are set out below:

Particulars	Remuneration
Gross Salary	₹ 1,44,00,000
Re-designation as a Managing Director	January 29, 2018 (Three (3) years with effect from January 29, 2018 till January 28, 2021)
Remuneration paid for F.Y. 2016-2017	₹ 62 lakhs per annum

2. **Mrs. Kanti Kiran Doddapaneni**, who belongs to Promoter Group, is a Whole Time Director of the Company, who was appointed as Director by shareholder's resolution dated January 11, 2018 and thereafter she was redesignated as Whole Time Director by the shareholder's resolution dated January 29, 2018 at a Remuneration not exceeding Rs. 24,00,000/- p.a.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration of our Directors in Financial Year 2017 are as follows:

- **Payment of non-salary related benefits**

Except as stated under ‘Remuneration to Executive Directors’, our Company has not paid, in the last two (2) years preceding the date of this Draft Prospectus, and nor does it intend to pay any non-salary related amount or benefits to our Directors.

- **Remuneration to Executive Directors:** The remuneration paid in Fiscal 2017 to Mr. Srikanth Kodali was ₹ 62 lakhs and to Mrs. Kanti Kiran Doddapaneni was ₹ 5 lakhs.
- **Remuneration to Non-Executive Directors:** Pursuant to Board Resolution dated February 22, 2018, sitting fees payable to our Non-executive and Independent Directors, towards attending meetings of the Board of Directors or a committee, as may be decided by Board, shall be ₹50,000 per meeting. Our Company has not paid sitting fees to any of our other non-executive Directors in the Fiscal 2017.

Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Draft Prospectus.

Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

Shareholding of directors in our Company

Except as mentioned below, none of the Directors hold Equity Shares in our Company as on the date of this Draft Prospectus:

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Mr. Srikanth Kodali	68,67,909	91.05%	58,17,839	66.91%
Mrs. Kanti Kiran Doddapaneni	1,61,145	2.14%	1,61,145	1.85%
Mr. Radha Krishna Pinnamaneni	4,58,685	6.08%	3,56,755	4.10%
Total	74,87,739	99.27%	63,35,739	72.87%

Shareholding of Directors in our Associate companies

Our Company does not have any associate companies as on the date of this Draft Prospectus.

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently holds any office or place of profit in our Company.

Interests of our Directors

Our directors may also be deemed as interested in our Company to the extent of the Equity Shares held by them or any Equity Shares that may be subscribed by or allotted to them from time to time. For further details, please refer to section titled "Our Management – Shareholding of directors in our Company" and "Capital Structure" beginning on pages 134 and 57 respectively of this Draft Prospectus. Our director may also be deemed to be interested to the extent of any dividend, if any, payable and other distributions in respect of the Equity Shares held by them.

Our non-executive director and independent directors may be deemed to be interested in our Company to the extent of fees payable to them for attending meetings of our Board or committees thereof and reimbursement of expenses payable pursuant to our Articles of Association.

Our directors have no interest in any property acquired or proposed to be acquired by our Company two (2) years prior to the date of this Draft Prospectus.

Except Mr. Srikanth Kodali, Mr.Radha Krishna Pinnamaneni, Promoters and Mrs. Kanti Kiran Doddapaneni member of promoter group of our Company, none of our other Directors have any interest in the promotion of our Company other than in ordinary course of business. Except as disclosed above, no amount or benefit has been paid or given within the two (2) preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

None of our Directors have availed any loan from our Company. None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company. Except as disclosed under section titled "Our Management – Remuneration to Executive Directors" beginning on page 134 of this Draft Prospectus, none of our Directors is party to any bonus or profit sharing plan of our Company. Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in our Company's Board of Directors during the last three (3) years

The changes in the Board of Directors of our Company in the last three (3) years are as follows:

No.	Name of the Director	Date of Change	Reason for change
1.	Mrs. Kanti Kiran Doddapaneni	January 11, 2018	Appointment as an Executive Director
2.	Mrs. Kanti Kiran Doddapaneni	January 29, 2018	Re-designated as Whole Time Director
3.	Mr.Srikanth Kodali	January 29, 2018	Re-designated as Managing Director
4.	Mr. Radha Krishna Pinnamaneni	February 8, 2018	Re-designated as Non-Executive Director
5.	Mr. Chereddi Ramachandra Naidu	February 22, 2018	Appointment as an Independent Director
6.	Mr. Naveen Nandigam	February 22, 2018	Appointment as an Independent Director

Borrowing Powers of the Board

The Articles, subject to the provisions of the Companies Act, 2013 authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The December 5, 2014 authorized the Board to borrow from time to time, as they may think fit, any sum or sums of money not exceeding ₹100 Crores (including *the money already borrowed by our Company*) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immovable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (*apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business*) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of the SEBI (LODR) Regulations to the extent applicable to the entity whose shares are listed on the SME Exchange will also be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the SEBI Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, each as required under law. Our Board of Directors is constituted in compliance with the Companies Act, 2013 and the SEBI (LODR) Regulations.

The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has Five (5) Directors. In compliance with the requirements of the Companies Act & Regulation 17 of the SEBI (LODR) Regulations, we have two (2) Executive Directors, one of whom is a Manging Director and other is a Whole Time Director, two (2) Independent Directors, of which 1 is a Chairman and one (1) Non- Executive Director on our Board. Our Whole time Director is the woman director on our Board.

Committees of our Board

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

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholder's Relationship Committee

a. Audit Committee

Our Company has constituted an Audit Committee ("Audit Committee"), as per Section 177 of the Companies Act and Regulation 18 of the SEBI (LODR) Regulations, 2015; by way of resolution passed at the meeting of the Board of Directors held on February 22, 2018.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the SEBI (LODR) Regulations, 2015, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three (3) Directors:

- i) Mr. Naveen Nandigam, Independent Director, Chairman;
- ii) Mr. Chereddi Ramachandra Naidu, Independent Director, Member;
- iii) Mr. Radha Krishna Pinnamaneni, Non-Executive Director Member

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers / responsibilities:

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

The Audit Committee shall mandatorily review the following information:

- 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. To submit statement of deviations:
 - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7)

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

The role of the Audit Committee not limited to but includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Auditor and the fixation of Audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the half yearly Financial Statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ Prospectus/ Draft Prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence, performance and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors any significant findings and follow up there on.
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To oversee and review the functioning of the vigil mechanism (whistle blower mechanism) which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases
 19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
 20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
 21. To investigate any other matters referred to by the Board of Directors;
 22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

Explanation (i) The term “Related Party Transactions” shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountant of India.

b. Nomination and Remuneration Committee:

Our Company has formed Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee was constituted by the Board at its Meeting held on February 22, 2018. The Nomination and Remuneration Committee comprises of following Chairman and the member.

- i. Mr. Radha Krishna Pinnamaneni, Non-Executive Director, Chairman;
- ii. Mr. Chereddi Ramachandra Naidu, Independent Director, Member;
- iii. Mr. Naveen Nandigam, Independent Director, Member

The terms of reference of Nomination and Remuneration Committee are set out below:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
5. Deciding on, whether to extend or continue the term of appointment of Independent Director, on the basis of the report of performance evaluation of Independent Directors;
6. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
7. 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;
8. Decide the amount of commission payable to the Whole Time Director / Managing Directors;
9. 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
10. To formulate and administer the Employee Stock Option scheme.

c. Stakeholders Relationship Committee

The Stakeholders Relationship Committee of our Board was constituted by our Directors pursuant to Section 178 (5) of the Companies Act the Board at its meeting held on February 22, 2018. The Stakeholders Relationship Committee comprises of:

- i) Mr. Radha Krishna Pinnamaneni, Non-Executive Director, Chairman
- ii) Mr. Srikanth Kodali, Managing Director, Managing Director, Member;

The Company Secretary of our Company acts as the Secretary to the Committee.

The scope of the Stakeholders Relationship Committee is set out below:

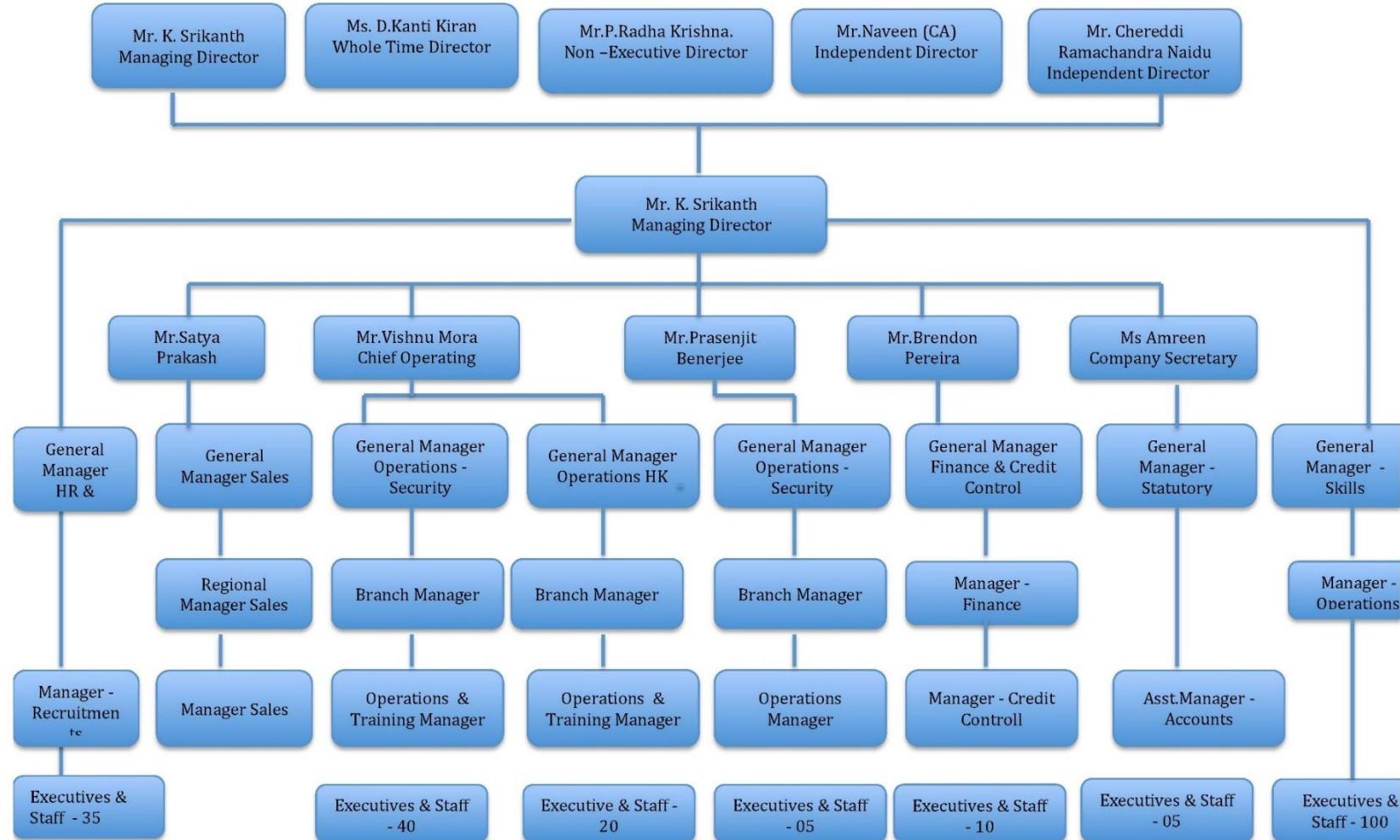
1. Consider and resolve the grievances of security holders of the Company including Investors' Complaints;
2. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized;
3. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
4. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;
5. Reference to statutory and regulatory authorities regarding investor grievances;
6. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances; and
7. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 8 and 9 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 Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public offer.

Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

Management Organizational Structure



Profiles of our Key Managerial Personnel

In addition to our Managing Director, Mr. Srikanth Kodali, and our Whole time director, Mrs. Kanti Kiran Doddapaneni, whose details are provided under "Brief biographies of the Directors" in this Chapter, the details of our other Key Managerial Personnel as on the date of this Draft Prospectus are set forth below. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

1. **Mr. Brendon Pereira**, 44 years, is the Chief Financial Officer (CFO) of our Company. He has been associated with our Company from 2018. He has done his post graduate Executive Management Program from SPJIMR, Mumbai and his Bachelor of Arts (Political Science and Commerce) from University of Mumbai. He has also done Diploma in Hotel Management from Institute of Hotel Management, Bangalore, Mergers, Acquisitions & Restructuring (MDR) Programme, IIM Ahmedabad, ITIL-IT Service Management, Foundation Level. He has an experience of more than Twenty (20) years in Services across Planning, Operations and P & L delivery in different organisation like Reliance Industries Limited, DTSS Private Limited etc. Currently he is in a leadership role, driving Strategy Development & Implementation.
2. **Ms. Amreen Gulnaaz**, 28 years, is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since January 2018. She is a member of Institute of Company Secretaries of India (ICSI). She is responsible for compliance with statutory and regulatory requirements and for ensuring that decisions of our Board are implemented.

Profiles of our Senior Management Team

The strength of our Core Team defines our growth and capability. We are proud to have a strong leadership team of senior management persons who add value to our Company and Business Operations. A Brief profile of such personnel is as under:

M. V. Vishnu Bhopal Rao- Chief Operating Officer

Mr. M. Vishnu Bhopal Rao has overall 22 years of experience in various fields like Civil Engineer in the field of Projects /Property & Facility Management of large buildings and IT Parks. His academic back ground is B.E (Civil). And was previously associated with CBRE South Asia Pvt. Ltd. Currently associated with Kapston since last 4 years.

K. G. R. J. Satya Prakash – Associate Director – Sales & Facilities

Mr. Satya Prakash has overall 22 years' experience in Facilities Management in MNC's. His academic background is MBA (Finance). And was previously associated with Jones Lang LaSalle Meghraj Building Operations Pvt. Ltd. & Cushman & Wakefield PMSI Pvt. Ltd. Currently associated with Kapston since 5 years.

C. Srinivas – General Manager Operations

Mr. C. Srinivas has overall 15 years of experience Facilities in Management field. His academic background is B.Com. And was previously associated with Black Belt Commandos Security System. Currently associated with Kapston since last 7 years.

S. V. Raghava Rao– General Manager Accounts

Mr. S. V. Raghava Rao has overall 42 years of experience in Accounts field. His academic background is M.Com. And was previously associated with ICRISAT & Dr. Reddy's Foundation. Currently associated with Kapston since last 5 years.

Prasenjit Banerjee– Vice President – Karnataka &Tamilnadu

Mr. Prasenjit Banerjee has overall 32 years of experience in various sectors including the Facilities Management field. His academic background is MBA. And was previously associated with A2Z Infra Services Ltd. Currently associated with Kapston since last 3 months.

Status of Key Management Personnel in our Company

All our key managerial personnel are permanent employees of our Company.

Relationship amongst the Key Managerial Personnel or between Key Managerial Personnel and the Directors of our Company

There is no family relationship amongst the any Key Managerial Personnel of our Company. Further, except as set out below, there is no family relationship of the Key Managerial Personnel with Directors of the Company:

Name	Relationship
Mr. Srikanth Kodali and Mrs. Kanti Kiran Doddapaneni	Spouse

Shareholding of Key Management Personnel in our Company

Except for Mr. Srikanth Kodali and Mr. Kanti Kiran Doddapaneni who hold 68,67,909 and 1,61,145 Equity Shares, respectively, constituting 91.05% and 2.14% of the total paid-up share capital of our Company, none of the Key Management Personnel hold Equity Shares in our Company as on the date of this Draft Prospectus. For details in relation to their shareholding, please refer to section titled "Capital Structure" beginning on page 57 of this Draft Prospectus.

Bonus or profit sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel's of our Company.

Interests of Key Management Personnel

Other than as disclosed under this section under "Our Management – Shareholding of Key Management Personnel" beginning on page 134 of this Draft Prospectus, our Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as

per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them.

The Key Management Personnel are not entitled to any contingent or deferred compensation.

Payment of benefits to officers of our Company (*non-salary related*)

Except as disclosed in this Draft Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Employee Stock Option or Employee Stock Purchase

Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

Loans availed by Directors / Key Managerial Personnel of our Company

None of the Key Managerial Personnel's have availed loan from our Company which is outstanding as on the date of this Draft Prospectus.

Changes in our Company's Key Managerial Personnel during the last three (3) years

The changes in the Key Managerial Personnel of our Company in the last three (3) years are as follows:

Name of the Key Managerial Personnel	Designation	Date of change	Reason for change
Mr. Srikanth Kodali	Managing Director	January 29, 2018	Re-designated
Mr. Kanti Kiran Doddapaneni	Director	January 11, 2018	Appointment
Mr. Kanti Kiran Doddapaneni	Whole Time Director	January 29, 2018	Re-designated
Mr. Brendon Pereira	CFO	February 22, 2018	Appointment
Ms. Amreen Gulnaaz	Company Secretary & Compliance Officer	January 12, 2018	Appointment

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our company are Mr. Srikanth Kodali and Mr. Radha Krishna Pinnamaneni. As on the date of this Draft Prospectus, our promoters hold 73,26,594 Equity Shares, which constitutes 97.13 % of the pre offer paid-up Equity Share capital of our Company.

Details of Individual Promoter of our Company

	<p>Mr. Srikanth Kodali, aged 44 years, is the Promoter and Managing Director of our Company. For the complete profile of Mr. Srikanth Kodali, please refer to section titled "Our Management" beginning on page 134 of this Draft Prospectus.</p> <p>Driving Licence Number: DLFAP128138009 Voter Identification Number: RDV2937854</p> <p>For further details in relation to other ventures of Mr. Srikanth Kodali, please refer to section titled "Our Group Companies" beginning on page 153 of this Draft Prospectus.</p>
	<p>Mr. Radha Krishna Pinnamaneni aged 57 years, is the Promoter and Non-Executive Director of our Company. For a complete profile of Mr. Radha Krishna Pinnamaneni, please refer to section titled "Our Management" beginning on page 134 of this Draft Prospectus.</p> <p>Driving License Number: 3430/RRD/1993 Voter Identification Number: FYY0580415</p> <p>For further details in relation to other ventures of Mr. Radha Krishna Pinnamaneni, please refer to section titled "Our Group Companies" beginning on page 153 of this Draft Prospectus.</p>

Our Company confirms that the details of the PAN, Bank Account Number and Passport Numbers of our Promoters shall be submitted to the Stock exchange at the time of filing the Draft Prospectus.

Interests of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective Equity shareholding in our Company and any dividend distribution that may be made by our Company for any other distribution with respect to their Equity Shares in the future. For details pertaining to our Promoter's shareholding, please refer to section titled "Capital Structure" beginning on page 57 of this Draft Prospectus.

Our individual Promoters, Mr. Srikanth Kodali and Mr. Radha Krishna Pinnamaneni are also interested to the extent that they are Directors of our Company. Mr. Srikanth Kodali is interested to the extent of any remuneration and reimbursement of expenses payable to him by virtue of being Director of our Company. For further information on remuneration to the Managing Director, please refer to section titled "Our Management" beginning on page 134 of this Draft Prospectus.

Except as stated under section titled "Related Party Transactions" beginning on page 154 of this Draft Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two (2) years from the date of this Draft Prospectus or proposes to enter into any such contract in which our Promoters 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.

Except as stated otherwise in this Draft Prospectus, our Promoters or Group Companies do not have any interest in any property acquired by our Company within two (2) years of the date of this Draft Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building or supply of machinery.

Our Promoters are not related to any sundry debtors of our Company except as disclosed in restated financial statements.

Except as disclosed in this Draft Prospectus, our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Common Pursuits

Our Promoters do not have any interest in any ventures that is involved in the same line of activity or business as that of our Company.

Confirmations

The Company hereby confirms that:

- ❖ Our Promoters and members of the Promoter Group have not been declared as willful Defaulters.
- ❖ Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- ❖ Our Promoters and members of the Promoter Group are not and have never been promoter, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Related Party Transactions

For details of related party transactions entered into by our Promoters, Promoter Group and our Company during the last financial year, the nature of transactions and the cumulative value of transactions, please refer to section titled "Related Party Transactions" beginning on page 154 of this Draft Prospectus.

Interest of Promoters in sales and purchases

Except as disclosed in Section titled "Our Group Companies" beginning on page 153 of this Draft Prospectus, there are no sales/purchases between our Company and any Group Company and associate company when such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company and our Group Company as on the date of the last financial statements.

Payment or benefits to the Promoters

Except as stated otherwise in under section titled "Related Party Transactions" beginning on page 154 of this Draft Prospectus about the related party transactions entered into during the last five (5) Financial Years as per Accounting Standard 18 and in "Interest of Promoters" in this Chapter, there has been no payment or benefit to our Promoters or Promoter Group during the two (2) years prior to the filing of this Draft Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Prospectus.

Disassociation by the Promoters from entities in last three (3) years

Our Promoters have not been disassociated from any of the companies or firms in the last three (3) years.

Change in the management and control of our Company

Mr. Srikanth Kodali is one of the original promoters of our Company and Mr. Radha Krishna Pinnamaneni joined the Company in the year 2011 as promoter and since then there has not been any change in the management or control of our Company.

Outstanding Litigation

There is no litigation or legal action pending or taken by a ministry, department of the Government or Statutory Authority during the last five (5) years preceding the date of this Draft Prospectus against our Promoters.

Promoter Group of our Company

(a) **Individual Promoter Group of our Promoter**

Relationship with Promoters	Mr. Srikanth Kodali	Mr. Radha Krishna Pinnamaneni
Father	Mr. Nageshwara Rao Kodali	Late Mr. Adinarayana Pinnamaneni
Mother	Mrs. Vijaya Laxmi Kodali	Late Mrs. Shakuntala Pinnamaneni
Brother	Mr. K Vijayabhaskar Rao	Mr. P. P. Ranga Rao
Sister	-	Mrs. M. Annapoorna & Mrs. G. Prasanna Kumari
Spouse	Mrs. Kanti Kiran Doddapaneni	Mrs. Sukanya Surapaneni
Daughter	Ms. Jahnavi Kodali	-
Son	Mr. Karthik Kodali	Mr. Rohit Chowdary Pinnamaneni & Mr. Rahul Chowdary Pinnamaneni
Spouse's mother	Mrs. Jayaprada Doddapaneni	Late. Mrs. Brahmaramba.S
Spouse's father	Mr. Pandu Ranga Rao Doddapaneni	Mr. Rama Mohana Rao Surapaneni
Spouse's Brother	Mr. Kiran Kumar Doddapaneni	-
Spouse's sister	-	Late. Laxmi & Mrs. Vijaya Nirmala

(b) **Entities forming a part of Promoter Group**

As on the date of filling of this Draft Prospectus, the following partnership firms form part of our Promoter Group:

1. M/s. Hanuman Marketing
2. M/s. Hanuman Traders
3. M/s. R.K. Builders

Other than as disclosed here, our Company has no companies or entities that form part of our Promoter Group.

Shareholding of the Promoter Group in our Company

For details of Shareholding of members of our promoter group as on the date of this Draft Prospectus see Section titled “*Capital Structure*” on page 57.

Other Confirmations

None of our Promoters are wilful Defaulters and there are no violations of securities laws committed by our Promoters in past or pending against them. Our Promoters are not prohibited from accessing the capital markets and no order or direction has been passed by SEBI or any other regulatory/statutory authority. None of the Promoters, Promoter Group entities or Group Company has been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five (5) years preceding the date of the Offer against our Promoters, For details see section titled “*Outstanding Litigation and Material Developments*” beginning on page 201 of this Draft Prospectus.

OUR GROUP COMPANIES

As per the SEBI (ICDR) Regulations, for the purpose of identification of Group Entities, our Company has considered companies/ entities covered under the applicable accounting standard, i.e., AS-18 as per the Restated Financial Statements and other companies/ entities considered material by our Board. In the above mentioned scenario, our Company does not have any Group Company.

RELATED PARTY TRANSACTIONS

For details on related party transactions of the Company, please refer to Annexure XXX titled "*Schedule of Related Party Transactions as Restated*" in the section titled "Financial Information" beginning on page 156 of this Draft Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provisions of the Articles of Association and applicable law including the Companies Act. The dividends, if any, will depend on number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by number of other factors, including, restrictive covenants under the loan or financing documents that we may enter into in the future. Our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends.

Our Company has not declared dividend in any financial year as on the date of this Draft Prospectus.

SECTION V: FINANCIAL INFORMATION**FINANCIAL STATEMENTS****REPORT OF THE INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS**

To,
The Board of Directors,
Kapston Facilities Management Limited,
Kukatpally - Hyderabad.

1. We have examined the attached Restated Financial Information of **Kapston Facilities Management Limited** (the “Company”), which comprises of the Restated Summary Statement of Assets and Liabilities as at December 31, 2017 and at March 31, 2017, 2016, 2015, 2014 and 2013, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the nine months ended December 31, 2017 and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 respectively, and the Summary of Significant Accounting Policies (collectively, the “Restated Financial Information”) as approved by the Board of Directors of the Company at their meeting held on February 22, 2018 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer of equity shares (herein after referred to as the “Issue”), prepared in terms of the requirements of :
 - i. Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”) read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (“the Rules”);
 - ii. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“ICDR Regulations”)
2. The preparation of the Restated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, the Rules and ICDR Regulations.

Our responsibility is to examine the Restated Financial Information and confirm whether such Restated Financial Information comply with the requirements of the Act, the Rules and ICDR Regulations.

3. We have examined such Restated Financial Statements taking into consideration
 - i. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 29, 2018 in connection with the proposed IPO of the Company and
 - ii. The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.
4. These Restated Financial Information have been compiled by the Management from the audited Financial Statements of the Company as at and for the nine months ended December 31, 2017 and as at and for the year ended March 31, 2017, 2016, 2015, 2014 and 2013 which have been approved by Board of Directors at their meetings held on February 22, 2018, August 26, 2017, September 03, 2016, August 31, 2015, August, 30, 2014, August, 30, 2013 respectively.

Audit for the financial years ended 2017, 2016, 2015, 2014, 2013 was conducted by previous auditors, M/s. P. SAMBAMURTHY & CO Chartered Accountants., and accordingly reliance has been placed on the financial information examined by them for the financial year ended 2016, 2015, 2014, 2013 and re audit was conducted by M/s NSVR & Associates LLP for the financial year ended 31st march, 2017. The

financial report included for these years, i.e., 2016, 2015, 2014, 2013 are based solely on the report submitted by M/s. P. SAMBAMURTHY & CO have also confirmed that the restated standalone financial information:

- a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
- b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
- c) do not contain any extra-ordinary items that need to be disclosed separately [other than those presented] in the Restated Standalone Financial Information] and do not contain any qualification requiring adjustments.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of **Kapston Facilities Management Limited**, we NSVR & ASSOCIATES LLP (formerly known as Nekkanti Srinivasu & Co), Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI).

5. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note, we report that:

- a. The Restated Statement of Assets and Liabilities of the Company as at, December 31, 2017 and as at March 31, 2017, 2016, 2015, 2014, 2013 examined by us, as set out in **Annexure I** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the Statement of Significant Accounting Policies in **Annexure V** and the Notes to Accounts in **Annexure VI**.
- b. The Restated Statement of Profit and Loss of the Company for the nine months ended December 31, 2017 and for the years ended on March 31, 2017, 2016, 2015, 2014, 2013 examined by us, as set out in **Annexure II** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the Statement of Significant Accounting Policies in **Annexure V** and the Statement of Adjustments to the Audited Financial Statements in **Annexure IV**.
- c. The Restated Statement of Cash flow statement of the Company for the nine months ended December 31, 2017 and for the years ended on March 31, 2017, 2016, 2015, 2014, 2013 examined by us, as set out in **Annexure III** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the Statement of Significant Accounting Policies in **Annexure V** and the Statement of Adjustments to the Audited Financial Statements in **Annexure IV**.

6. The Restated Financial Statements have been made after incorporating adjustments for :

- i) The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period / years.
- ii) Prior Period and other material amounts in the respective financial years to, which they relate, Which are stated in the Statement of Material Adjustments as set out in **Annexure IV**:

7. Such Financial statements do not require any corrective adjustments on account of:

- i) Other remarks/comments in the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (11) of section 143 of the Companies Act, 2013, on Financial Statements of the Company as at for the nine ended December 31, 2017 and for the years ended on March 31, 2017, 2016, 2015, 2014, 2013.
- ii) Extra-ordinary / Exceptional items that need to be disclosed separately in the accounts requiring adjustments.

8. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

1	Statement of Share Capital as restated	Annexure – VII
2	Statement of Reserves & Surplus as restated	Annexure – VIII
3	Statement of Long Term Borrowings of the Company as restated	Annexure – IX
4	Statement of Long term Provisions as restated	Annexure – X
5	Statement of Short Term Borrowings of the Company as restated	Annexure – XI
6	Statement of Trade Payables as restated	Annexure – XII
7	Statement of Other Current Liabilities as restated	Annexure – XIII
8	Statement of Short Term Provisions as restated	Annexure – XIV
9	Details of Fixed Assets as restated	Annexure – XV
10	Statement of Deferred Tax as restated	Annexure – XVI
11	Statement of Inventories as restated	Annexure – XVII
12	Statement of Trade Receivables as restated	Annexure – XVIII
13	Statement of Cash and Cash Equivalents as restated	Annexure – XIX
14	Statement of Short Term Loans and Advances as restated	Annexure – XX
15	Statement of Other Current Assets as restated	Annexure – XXI
16	Statement of Revenue from Operations as restated	Annexure – XXII
17	Statement of Grants received from Skills project as restated	Annexure – XXIII
18	Statement of Other Income as restated	Annexure – XXIV
19	Statement of Cost Materials Consumed as restated	Annexure – XXV
20	Statement of Employee Benefit Expenses as restated	Annexure – XXVI
21	Statement of Expenses related to Grants from Government for Skill Projects as restated	Annexure – XXVII
22	Statement of Finance Cost as restated	Annexure – XXVIII
23	Statement of Other Expenses as restated	Annexure – XXIX
24	Statement of Related Party Transactions as restated	Annexure – XXX
25	Details of Contingent Liability as restated	Annexure – XXXI
26	Statement of Capitalization as restated	Annexure – XXXII
27	Statement of Accounting Ratios as restated	Annexure – XXXIII
28	Statement of Tax Shelter as restated	Annexure – XXXIV

9. According to the information and explanation given to us for financial year ended 2016, 2015, 2014 & 2013 and also as per the reliance placed on the reports submitted by the previous auditor, M/s. P.SAMBAMURTHY & CO , in our opinion the Restated Financial Statements and the other Financial Information set forth in Annexure VII to XXXIV read with the Significant Accounting Policies and Notes to the Restated Financial Statements have been prepared in accordance with section 26 read with applicable provisions within Rule 4 to 6 of Companies(Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Without qualifying our opinion, we draw attention to “Note G in Annexure- IV_ **“Statement of material adjustments”** in respect of ***non-provision of Gratuity*** as required by the Accounting Standard-15 “Employee Benefits”.

Consequently the Financial Information has been prepared after making such regroupings and adjustments, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the Financial Information may not necessarily be the same as those appearing in the respective Audited Financial Statements for the relevant years.

Based on our examination of the Restated Financial Information and the audited financial statements of the Company for the nine months ended December 31, 2017 and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013, we report that:

- (1) the restated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IV to this report;
 - (2) adjustments for the material amounts in the respective financial years to which they relate have been adjusted in the attached restated summary statements;
 - (3) there are no extraordinary items which need to be disclosed separately in the restated standalone summary statements;
 - (4) there are no qualifications in the auditors' reports, which require any adjustments to the restated summary statements;
 - (5) The following was the information relating to statutory dues based on the information and explanations given to us:
 - a) Statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax and other material statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities though there have been some delays in deposit of dues relating to Provident Fund, Employees State Insurance, Service Tax and Income Tax for the nine months ended December 31, 2017 and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013.
 - b) There were no amounts under dispute in respect of Provident Fund, Employees' State Insurance for the nine months ended December 31, 2017 and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 except for an amount of Rs.16.87 Lakhs in respect of service tax and ₹0.96 Lakhs in respect of income tax for nine months ended December 31, 2017 which have been disclosed as a contingent liability in the financial statements.
10. We have not audited or reviewed any financial statements of the Company as of any date or for any period subsequent to December 31, 2017. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to December 31, 2017.
11. This report should not in any way construed as a reissuance or redrafting of any of the audit report issued nor should this report be construed as new opinion on any of the financial statement referred to therein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of Equity Shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For M/s NSVR & ASSOCIATES LLP

Chartered Accountants

(Formerly known as Nekkanti Srinivasu & Co)

FRN: 008801S/S200060

Sd/-

Place: Hyderabad

Date: 22-02-2018

V Gangadhara Rao N

Partner

Membership No. 219486

STATEMENT OF RESTATED ASSETS AND LIABILITIES
ANNEXURE I
(₹ In lakhs)

Sr. No.	Particulars	Annexure	As at December, 2017	As at March 31,				
				2017	2016	2015	2014	2013
EQUITY AND LIABILITIES								
1)	Share Holders Funds							
a.	Share Capital	VII	167.62	139.68	55.87	50.00	50.00	1.00
b.	Reserves & Surplus	VIII	1,313.62	903.75	681.59	418.39	219.42	123.12
	TOTAL		1,481.24	1,043.43	737.47	468.39	269.42	124.12
3)	Non-Current Liabilities							
a.	Long Term Borrowings	IX	858.00	661.72	499.25	133.37	145.88	78.39
b.	Deferred Tax Liabilities		-	-	-	-	-	-
c.	Long Term Provisions	X	21.58	18.20	13.81	11.75	-	-
4)	Current Liabilities							
a.	Short Term Borrowings	XI	771.92	586.23	289.67	-	-	-
b.	Trade Payables	XII	127.66	93.78	128.64	77.24	56.67	35.53
c.	Other Current Liabilities	XIII	1,462.68	1,120.87	1,482.37	1,116.85	657.26	547.95
d.	Short Term Provisions	XIV	6.41	0.22	0.10	0.11	-	15.94
	T O T A L		4729.50	3,524.44	3,151.30	1,807.72	1,129.22	801.93
ASSETS								
1)	Non-Current Assets							
a.	Fixed Assets (Net Block)							
i.	Tangible Assets	XV	1,785.82	1,355.61	413.98	255.73	202.98	119.36
ii.	Intangible Assets		-	-	-	-	-	-
	Gross Block		1,785.82	1,355.61	413.98	255.73	202.98	119.36
	Less: Depreciation		397.91	315.00	200.54	115.34	52.69	20.98
	Net Block		1,387.91	1,040.61	213.43	140.39	150.29	98.38
	iii. Capital Work in Progress		-	-	-	-	-	-
b.	Deferred Tax Asset	XVI	45.28	36.46	21.27	11.40	2.16	64.91
2)	Current Assets							
a.	Inventories	XVII	76.93	12.85	11.38	-	-	-
b.	Trade Receivables	XVIII	1913.60	1,705.56	1,338.25	1,057.69	826.27	569.11
c.	Cash and Cash Equivalents	XIX	391.64	386.46	450.27	446.17	37.80	38.82
d.	Short Term Loans & Advances	XX	679.52	51.52	861.04	10.75	3.77	8.00
e.	Other Current Assets	XXI	234.62	290.98	255.65	141.31	108.93	22.71
	T O T A L		4729.50	3,524.44	3,151.30	1,807.72	1,129.22	801.93

STATEMENT OF PROFIT AND LOSS AS RESTATED
ANNEXURE-II
 (₹ In lakhs)

Sr. No.	Particulars	Annexure	As at December 31, 2017	For the year ended March 31,				
				2017	2016	2015	2014	2013
A	INCOME							
	Revenue from Operations	XXII	8,073.93	9,063.08	7,027.38	5,735.64	4,127.02	2,794.77
	Grants received for Skills Projects	XXIII	412.67	299.50	468.23	152.72	23.75	5.36
	Other Income	XXIV	1.06	25.03	3.82	2.37	1.31	0.29
	Total Income (A)		8,487.66	9,387.61	7,499.43	5,890.73	4,152.08	2,800.42
B	EXPENDITURE							
	Cost of Material Consumed	XXV	92.49	151.67	171.42	138.98	433.12	64.16
	Employee benefit expenses	XXVI	6,701.48	7,666.05	5,845.94	4,821.76	3,233.76	2,421.42
	Expenses related to Grants for Skills Projects	XXVII	412.67	299.50	468.23	152.72	-	-
	Finance costs	XXVIII	172.07	146.97	97.40	17.05	8.55	4.59
	Depreciation and amortization expense	XV	82.91	114.46	85.20	62.14	31.70	15.60
	Other Expenses	XXIX	449.19	542.81	483.12	416.93	230.28	160.88
	Total Expenses (B)		7,910.80	8,921.45	7,151.32	5,609.59	3,937.42	2,666.64
C	Net Profit / (Loss) before Extra-ordinary items and tax (C)		576.86	466.15	348.11	281.14	214.66	133.78
	Extraordinary items							
D	Net Profit / (Loss) before tax							
	<i>Tax expense :</i>							
	(i) Current tax		147.87	175.38	141.76	90.90	44.22	83.81
	(ii) Deferred tax		8.82	15.19	9.87	9.25	(62.76)	65.33
	(iii) Mat Credit Entitlement						37.61	
E	Total Tax Expense (E)		139.05	160.19	131.89	81.66	69.37	18.48
F	Net Profit / (Loss) after tax (D-E)		437.81	305.97	216.22	199.49	145.29	115.29

ANNEXURE III
 (₹ In lakhs)

STATEMENT OF CASH FLOW AS RESTATED

Particulars	As at Decembe r 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Cash flow from operating activities:						
Net Profit before tax as per Profit And Loss account	576.86	466.15	348.11	281.14	214.66	133.78
<u>Adjusted for:</u>						
Depreciation & Amortization	82.91	114.46	85.20	62.14	31.70	15.60
Interest & Financial Charges	172.07	146.97	97.40	17.05	8.55	4.59
Provision for Gratuity	3.38	4.51	2.04	11.87		
Operating Profit Before Working Capital Changes	835.22	732.09	532.75	372.20	254.92	153.97
<u>Adjusted for (Increase)/ Decrease in:</u>						
Trade Receivables	(208.04)	(367.3 1)	(280.5 6)	(231.4 2)	(257.1 7)	(328.9 6)
Inventories	(64.08)	(1.47)	(11.38)	-	-	-
Short Term Loans and Advances	(628.00)	809.52	(850.2 9)	(6.99)	4.24	(8.00)
Other Current Assets (Other than MAT Credit)	56.36	(35.33)	(114.3 4)	(32.38)	(48.61)	1.00
<u>Adjusted for Increase/ (Decrease) in:</u>						
Trade Payables	33.88	(34.86)	51.39	20.58	21.14	13.40
Other Current Liabilities	341.82	(361.5 1)	365.52	459.59	109.30	310.08
Cash Generated From Operations Before Extra-Ordinary Items	367.16	741.13	(306.9 1)	581.59	83.82	141.49
Add:- Extra-Ordinary Items	-	-	-	-	-	-
Cash Generated From Operations	367.16	741.13	(306.9 1)	581.59	83.82	141.49
Direct Tax Paid	141.68	175.38	141.76	90.90	60.16	67.87
Net Cash Flow from/(used in) Operating Activities: (A)	225.49	565.76	(448.6 7)	490.68	23.66	73.62
Cash Flow From Investing Activities:						
Purchase of Fixed Assets	(430.21)	(967.7 0)	(158.2 4)	(52.75)	(83.62)	(85.92)
Sale of Fixed Assets		26.06	-	-	-	-
Changes in Capital WIP (Net)	-	-	-	-	-	-
Net Cash Flow from/(used in) Investing Activities: (B)	(430.21)	(941.6 3)	(158.2 4)	(52.75)	(83.62)	(85.92)
Cash Flow from Financing Activities:						
Increase in Share Capital	-	-	52.86	-	-	-
Increase / (Decrease) in Long Term Borrowing	196.29	162.47	365.88	(12.52)	67.49	43.00
Increase / (Decrease) in Short Term Borrowing	185.68	296.57	289.67	-	-	-
Interest & Financial Charges	(172.07)	(146.9 7)	(97.40)	(17.05)	(8.55)	(4.59)
Net Cash Flow from/(used in) Financing Activities (C)	209.90	312.07	611.01	(29.56)	58.94	38.41

Particulars	As at Decembe r 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	5.18	(63.81)	4.10	408.37	(1.02)	26.12
Cash & Cash Equivalents As At Beginning of the Year	386.46	450.27	446.17	37.80	38.82	12.71
Cash & Cash Equivalents As At End of the Year	391.64	386.46	450.27	446.17	37.80	38.82

Notes on Material adjustments and regroupings to Restated Summary Statements

1. Notes on Material Adjustments:

ANNEXURE IV
(₹ In lakhs)

The summary of results of restatements made in the audited financial statements for the respective quarter/years and its impact on the profits of the Company is as follows:

S. No	Particulars	As at Decem ber 31, 2017	For the year ended March 31,				
			2017	2016	2015	2014	2013
I	Profit/(Loss) after tax (as per Audited Financial Statements)	432.84	288.64	257.30	217.84	173.29	(49.85)
	Restatement Adjustments:						
	Revenue						
	ADD: Profit on sale of Fixed asset not recognized earlier		12.72				
	LESS: Net Prior period profit	10.29					
	Expenses						
	Less: Restatement/ adjustment of Prior period salaries (Ref Note A)	-	7.19	(7.19)	0.76	(0.76)	99.98
	Less: Restatement/ adjustment of Prior period Expenses (Ref Note A)		3.50	(3.50)			
	Less: Capitalization of registration charges on Vehicles (Ref Note B)						0.61
	Less: Capitalization of purchase of Live Stock (Dogs) (Ref Note B)	-	-	1.45	-	-	-
	Less: Adjustment of pre incorporation expenses (Ref Note C)						0.05
	Less: Deferred Tax restated (Ref Note E)	(3.16)	2.14	0.16	0.98	(64.70)	64.58
	Add: Depreciation on Assets restated (Ref Note B)	-	3.72	0.43	0.13	0.14	0.07
	Add: restatement of Salary expenses (Ref Note D)	-	-	(8.09)	8.09	-	-
	Add: Restatement of MAT credit entitlement not recognized earlier (Ref Note F)	-	-	37.61	-	(37.61)	-
	Add: Provision for Gratuity (Ref Note G)	(18.42)	4.51	2.04	11.87	-	-
II	Total Adjustments	4.97	17.33	(41.08)	(18.35)	(27.99)	165.14
III	Restated profit/(loss) after tax (I+II)	437.81	305.97	216.22	199.49	145.29	115.29

The above statement should be read with the notes to restated summary statement of assets and liabilities, profits and losses and cash flows.

- A. In the financial statements for the year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, certain expenses were not charged to the statement of profit and loss in the year in which they were incurred. For the purpose of restated summary of financial statements, such expenses have been appropriately adjusted in the financial years to which the transactions pertain to.

- B. In the financial year 2012-13 and 2015-16, capital expenditure was charged to the Statement of Profit and loss. Therefore in the restated financial statements such expenditure was capitalized and depreciation was charged respectively.
- C. In the financial year 2012-13, Pre incorporation expenditure was charged to the Statement of Profit and loss. Therefore in the restated financial statements such Pre incorporative expenses were adjusted against reserves & surplus in the financial year 2012-13.
- D. In the financial year 2014-15, certain amounts of salaries were not charged to the Statement of Profit and loss, instead they were included in 2015-16. Therefore in the restated financial statements appropriate adjustments were made to Salaries in the respective years.
- E. Deferred tax has been computed on adjustments made as detailed above and has been adjusted in the restated profit and loss for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013. The tax rate applicable to the respective years has been used to calculate the deferred tax impact on adjustments made to the respective years.
- F. In the financial year 2013-14, the company has paid MAT but has not recognized MAT credit entitlement in the books of accounts. Therefore in the restated financial statements MAT credit was recognized in the financial year 2013-14.
- G. In the financial statements for the year ended march 31, 2017, March 31, 2016, March 31, 2015 the company has not provided provision for Gratuity. For the purpose of restated summary of financial statements, Provision for Gratuity was made according to the Actuarial Valuation report as per AS 15 for the respective financial years.
- H. The above statement should be read with the, significant accounting policies appearing in Annexure V and notes to the Restated Financial Information VI.

2. Adjustments made in the audited opening balance of surplus in the Statement of Profit and Loss as at April, 2012

Particulars	Amount
Surplus in the Statement of profit and loss as at April 1, 2012 as per audited financial statements	107.85
Less: Reversal of Excess provisions of salaries for respective accounting year to which it relates	99.98
Surplus in the Statement of profit and loss as at April 1, 2012 restated	7.87

3. Material Regrouping:

Appropriate adjustments have been made in the Restated Summary Statements of Assets and Liabilities, Summary Statements of Profit and Losses and Summary Statements of Cash Flows, 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 financials of the Company as at and for the nine months period ended December 31, 2017.

Annexure-V**SIGNIFICANT ACCOUNTING POLICIES****A. Corporate Information:**

Kapston Facilities Management Limited is Public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The company's operations comprises of housekeeping services, security services and handling skill development projects conducted by Ministry of Rural Development and Government of India.

B. Disclosure of Accounting Policies :**(a) Basis of Preparation of Financial Statements:**

The Restated Summary Financial Statements of the Company for the nine months ended 31 December 2017 and for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 have been prepared using the historical audited general purpose financial statements of the Company as at December 31, 2017 and years ended 31st March, 2017, 2016, 2015, 2014 and 2013 respectively which were prepared under generally accepted accounting principles in India (Indian GAAP) and originally approved by the Board of Directors of the Company at that relevant time.

The Company has prepared the financial statements to comply in all material respects with the accounting standards specified under the Companies Act, 1956 (the —Act) and as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India. The financial statements have been prepared under the historical cost convention and on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those adopted in the preparation of financial statement for the nine months ended 31 December 2017 and financial years ended 31st March, 2017, 2016, 2015, 2014 and 2013.

These financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013 in addition to the Revised Schedule VI to the Companies Act, 1956 read with Companies (Prospectus and Allotment of Securities) Rules 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the SEBI Guidelines”) issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised) issued by the Institute of Chartered Accountants of India.

The Restated Financial Information have been prepared specifically for the inclusion in the Draft Prospectus/Prospectus to be filed by the Company with the EMERGE platform of NSE in connection with its proposed Initial public offering.

These Restated Standalone Summary of Statement of Assets and Liabilities, Profit and loss and Cash Flows have been prepared to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of The Companies Act, 2013 read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the relevant provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the SEBI Guidelines”) issued by SEBI on August 26, 2009 as amended from time to time. The Company's management has recast

the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated summary statements.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and

disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. Valuation of Inventories:

Inventories are valued in accordance with the requirements of accounting standard(AS-2) on Valuation of Inventories. Inventory consists of House keeping materials, Consumables, Tools and Spares, which are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition.

D. Cash Flow Statement:

Cash Flow statement is reported using the indirect method, where by profit before tax isadjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flow from operating, investing and financing activities of company is segregated based on the available information.

E. Contingencies and Events Occurring After Balance Sheet Date:

All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.

F. Net profit or loss for the period, prior period items and changes in Accounting Policies:

All the extra ordinary and prior period items of Income and expenses are separately disclosed in the statement of Profit and Loss account in the manner such that its impact on the current profit or loss can be perceived. If there has been any change in the Company's accounting policies or accounting estimate so as to have material impact on the current year profit/loss or that of later periods the same would be disclosed as part of notes to accounts. All the items of Income and Expenses from ordinary activities with such size and nature such that they become relevant to explain the performance of the company have been disclosed separately. The same is in compliance with AS-5 to the extent applicable.

G. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is recognized only when it is reasonably certain that the ultimate collection will be made.

Revenue from services represents the amounts receivable for services rendered.

Revenue represents the sales value of services rendered to the customers during the period. Such revenues are recognized in the period in which the service is provided and becomes chargeable.

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

H. Accounting for Government Grants

Government grants available to the enterprise are recognised in accounts: (i) where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and (ii) where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made. Grants related to revenue are presented as a credit in the profit and loss statement separately.

I. Property, Plant & Equipments:

Property, Plant & Equipment is stated at cost of acquisition or construction, less accumulated depreciation and impairment losses, if any.

The cost of Property, Plant & Equipment comprises:

- a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Method of Depreciation:

2014-15, 2015-16, 2016-17:

Depreciation on Property, plant and equipment is provided based on useful life prescribed by under the Schedule II of the Companies act,2013. Depreciation is provided on Written down value method during these years.

2012-13, 2013-14:

Depreciation on Property, plant and equipment is provided in the manner prescribed by the Schedule XIV of the Companies act, 1956. Depreciation is provided on Written down value method during these years.

J. Borrowing Cost :

Borrowing costs are interest and other costs incurred by an enterprise in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The borrowing cost other than those capitalized as above have been debited to the Statement of Profit and Loss of the current year.

K. Employee Benefits Expense:

i) Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as expense during the period when the employees render the services.

ii) Post-employment benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Contributions as specified under the law are paid to respective Regional Provident Fund Commissioner. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plan

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested Employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The liability for Gratuity

is accrued and provided for as determined by an independent actuarial valuation as per the requirements of Accounting Standard - 15 on "Employee Benefits".

L. Segment Reporting :

Even though Segment reporting is applicable to the company, there is no reportable segment. As the company operates in single segment therefore, Segment reporting was not made as per AS-17.

M. Earnings per Share and Diluted Earnings per Share :

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period/ year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/ year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period/year attributable to equity shareholders and the weighted average number of shares outstanding during the period/ year are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

N. Taxes on Income:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss.

Current Tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax:

Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax is accounted for using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets/ liabilities in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that such deferred tax Asset/ liability can be realised against future taxable profits.

O. Impairment of Assets :

The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

P. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Annexure-VI
NOTES TO ACCOUNTS
1. Earnings Per Share: (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Net Profit as per Profit & Loss Account available for Equity Shareholders	437.81	305.97	216.22	199.49	145.29	115.29
(1) Pre Bonus Issue						
Weighted Average Number of Equity Shares for EPS Computation						
A. For Basic Earnings Per Share of ` 10 each	16.76	16.76	15.53	15.00	15.00	15.00
B. For Diluted Earnings Per Share of ` 10 each:	16.76	16.76	15.53	15.00	15.00	15.00
Earnings Per Share						
-Basic	26.12	18.25	13.92	13.30	9.69	7.69
`Diluted	26.12	18.25	13.92	13.30	9.69	7.69
(2) Post Bonus Issue*						
A. For Basic Earnings Per Share of ` 10 each	75.43	75.43	68.01	67.48	67.48	67.48
B. For Diluted Earnings Per Share of ` 10 each:	75.43	75.43	68.01	67.48	67.48	67.48
Earnings Per Share						
-Basic	5.80	4.06	3.18	2.96	2.15	1.71
`Diluted	5.80	4.06	3.18	2.96	2.15	1.71

*The company has made Bonus issue on February 22, 2018. The Company has issued bonus shares in the ratio of 3.5:1 (i.e. Three and Half bonus equity share of ` 10 each for every one fully paid up equity shares of ` 10 each), to the shareholders. The EPS (Post Bonus Issue) is also calculated by considering total number of shares after the Bonus issue.

2. Deferred Tax :
(₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Deferred tax (liabilities)/assets arising on account of timing difference in:						
Opening Balance	36.46	21.27	11.40	2.16	64.91	(0.42)
Depreciation	8.82	15.19	9.87	9.25	1.99	0.58
43B Disallowance	-	-	-	-	(64.75)	64.75
Closing Balance (a)	45.28	36.46	21.27	11.40	2.16	64.91

3. Remuneration to Statutory Auditors :
(₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Statutory Audit Fees	0.21	1.40	2.50	2.25	1.80	1.92
For Other Matters						
Total	0.21	1.40	2.50	2.25	1.80	1.92

4. Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006:

To the extent of information available, the company has no overdue amounts outstanding to any micro, medium and small scale enterprises

RESTATED STATEMENT OF SHARE CAPITAL
Annexure-VII
₹ In Lakhs

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<u>SHARE CAPITAL</u>						
Authorized:						
Equity Shares of ₹ 10/- each						
Number of Shares	20.00	20.00	20.00	5.00	5.00	0.10
Amount (in lakhs)	200.00	200.00	200.00	50.00	50.00	1.00
Issued, Subscribed & Fully paid up						
Equity Shares of ₹ 10/- each						
Number of Shares	16.76	13.97	5.59	5.00	5.00	0.10
Amount (in lakhs)	167.62	139.68	55.87	50.00	50.00	1.00

Reconciliation of number of shares outstanding at the end of year
(No of Shares)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<i>Equity Shares</i>						
Equity shares at the beginning of the year of ₹ 10/- each	13.97	5.59	5.00	5.00	0.10	0.10
Add: Equity shares issued	-		0.59	-		-
Add: Bonus shares issued	2.79	8.38	-	-	4.90	-
Less: Reduction in share capital	-	-	-	-	-	-
Equity Shares at the end of the year	16.76	13.97	5.59	5.00	5.00	0.10

Details of Shareholders holding more than 5% of Shares in the company

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<i>Equity Shares</i>						
Srikanth Kodali						
Number of Shares held	15.26	12.72	5.09	4.50	4.50	0.09
Amount (in lakhs)	91%	91%	91%	90%	90%	90%
Radha Krishna Pinnamaneni						
Number of Shares held	1.50	1.25	0.50	0.50	0.50	0.01
Amount (in lakhs)	9%	9%	9%	10%	10%	10%

Note:

- A. The company has only one class of equity shares having a par value of ₹ 10/- per Share. Each holder of equity share is entitled for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.
- B. During the year 2017-18, pursuant to the shareholders' approvals under Section 63 and other applicable provisions of the Act, the Company has issued bonus shares in the ratio of 1:5 (i.e. one bonus equity share of ₹ 10 each for every five fully paid up equity shares of ₹ 10 each), to the shareholders on record date of August 5, 2016, by capitalizing existing reserves by ₹ 27.94 lakhs.
- C. During the year 2016-17, pursuant to the shareholders' approvals under Section 63 and other applicable provisions of the Act, the Company has issued bonus shares in the ratio of 3:2 (i.e. three bonus equity shares of ₹ 10 each for every two fully paid up equity shares of ₹ 10 each), to the shareholders on record date of December 20, 2016, by capitalizing existing reserves by ₹ 83.81 lakhs.
- D. During the year 2015-16, 508734 equity shares of ₹ 10 each was issued to Kodali srikanth at a premium of ₹ 80 on May 5, 2015.
- E. During the year 2013-14, pursuant to the shareholders' approvals under Section 63 and other applicable provisions of the Act, the Company has issued bonus shares in the ratio of 49:1 (i.e. forty nine bonus equity shares of ₹ 10 each for every fully paid up equity share of ₹ 10 each), to the shareholders on record date of March 25, 2014, by capitalizing existing reserves by ₹ 49 lakhs.

Annexure-VIII

(₹ In lakhs)

RESTATED STATEMENT OF RESERVES AND SURPLUS

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Security Premium						
Opening Balance	46.99	46.99	-	-	-	-
<u>Add / (Less): Changes during the year</u>						
Add: Premium on share capital		-	46.99	-	-	-
Less: Utilized/transfer during the period	-	-	-	-	-	-
Total (a)	46.99	46.99	46.99	-	-	-
Profit & Loss A/c						
(i) Opening Balance	856.76	634.61	418.39	219.42	123.12	7.87
<u>Add / (Less): Changes during the year</u>						
Add: Profit for the year	437.81	305.97	216.22	199.49	145.29	115.29
less: Issue of Bonus Shares	(27.94)	(83.81)	-	-	(49.00)	-
less: Transitional Adjustment on fixed assets	-	-	-	(0.51)	-	-
Pre Incorporation expenses debited P&L now adjusted						0.05
Net Profit Transfer to Reserves	1,266.64	856.76	634.61	418.39	219.42	123.12
Total Reserves (a+b)	1,313.62	903.75	681.59	418.39	219.42	123.12

RESTATED STATEMENT OF LONG TERM BORROWINGS
Annexure-IX
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Term Loans						
From Banks	143.83	246.01	60.96	26.66	-	-
From Others	520.01	166.06	284.09	-	-	-
Vehicle Loans	185.84	175.18	134.87	82.48	86.92	54.39
Loans from Related Parties- unsecured	8.33	74.48	19.33	24.23	58.96	24.00
Total	858.00	661.72	499.25	133.37	145.88	78.39

a) There is no continuing default as on balance sheet date in repayment and interest thereon.

b) **Secure term loans from banks:**

Details of term loans outstanding as at December 31, 2017.

Name of Lender	Date of Sanction	Amount Sanctioned	Amount Outstanding as on December 31, 2017	Interest	Repayment Schedule	Security
HDFC Bank	27-10-17	150.00	146.41	Int - 10% MCLR rate - 8.15%	Repayable in 36 equal monthly installments of Rs.484008 each	primary security- Book Debts collateral security- Villa No. 120, H no 15-31-IFF/120, in Sy No 1009, Phase - XIII, KPHB Colony, Kukatpally village , Balanagar mandal, Rangareddy District- 500072 and Land in survey no.51 , Nacharam Village, Mheshwaram Mandal, Rangareddy-500083. Personal Guarantee: Srikanth Kodali & Radha Krishna Pinnamaneni

c) Vehicle Loans from banks and Other Financial institutions are secured by hypothecation of the respective vehicle(s) purchased against the loan taken from the bank. The loans have various repayment schedules and are scheduled to be repaid by 2022-23.

d) Unsecured Business Loans from banks and Other Financial institution have various repayment schedules and are scheduled to be repaid by 2020-21.

e) Loans from related parties are interest free and no specific term is specified.

RESTATED STATEMENT OF LONG TERM PROVISIONS
Annexure-X
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Provision for Gratuity	21.58	18.20	13.81	11.75	-	-
Total	21.58	18.20	13.81	11.75	-	-

RESTATED STATEMENT OF SHORT TERM BORROWINGS
Annexure-XI
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Short Term Borrowings						
Loans Repayable on Demand from banks	771.92	586.23	289.67			
Total	771.92	586.23	289.67	-	-	-

Name of Lender	Date of Sanction	Amount Sanctioned	Amount Outstanding as on December 31, 2017	Interest	Repayment Schedule	Security
HDFC Bank	27-10-17	1200.00	771.92	Int - 10% MCLR rate - 8.15%	On Demand	<p>primary security- Book Debts</p> <p>collateral security- Villa No. 120, H no 15-31- IFF/120, in Sy No 1009, Phase - XIII, KPHB Colony, Kukatpally village , Balanagar mandal, Rangareddy District- 500072 and Land in survey no.51 , Nacharam Village, Mheshwaram Mandal, Rangareddy-500083.</p> <p>Personal Guarantee: Srikanth Kodali & Radha Krishna Pinnamaneni</p>

RESTATED STATEMENT OF TRADE PAYABLES
Annexure-XII
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Trade Payables*	127.66	93.78	128.64	77.24	56.67	35.53
Total	127.66	93.78	128.64	77.24	56.67	35.53

* Ref note (iv) in schedule VI

RESTATED STATEMENT OF OTHER CURRENT LIABILITIES
Annexure - XIII
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Current Maturities of Long-term Debt	537.23	282.93	338.44	92.42	40.56	15.72
Statutory Dues Payable	421.75	669.20	502.14	244.92	308.82	314.05
Salaries & Wages Payable	213.93	61.01	471.20	492.42	301.58	213.31
Grants Received in advance	254.56	75.67	117.03	265.74	-	-
Expenses Payable of Projects Sub Schedule	33.85	22.10	42.01	15.90	-	-
Other Payables	1.36	9.95	11.54	5.45	6.29	4.88
Total	1462.68	1,120.87	1,482.37	1,116.85	657.26	547.95

RESTATED STATEMENT OF SHORT TERM PROVISIONS
Annexure-XIV
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Provision for Gratuity	0.22	0.22	0.10	0.11	-	-
Provision for Tax	6.19					15.94
Total	6.41	0.22	0.10	0.11	-	15.94

DETAILS OF FIXED ASSETS AS RESTATED
Annexure-XV
 (₹ In Lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
PLANT AND MACHINERY						
Opening Balance	30.08	4.79	4.79	4.79	4.79	4.44
Addition during the year	-	25.29	-	-	-	0.36
Reduction during the year	-	-	-	-	-	-
Depreciation During the year	-	8.41	0.16	1.77	0.51	0.63
Accumulated Depreciation	12.28	12.28	3.87	3.70	1.63	1.11
Closing Balance	17.81	17.81	0.93	1.09	3.17	3.68
OFFICE EQUIPMENT						
Opening Balance	13.16	12.13	8.46	3.20	1.85	1.85
Addition during the year	-	1.02	3.67	5.26	1.35	-
Reduction during the year	-	-	-	-	-	-
Depreciation During the year	-	0.70	4.26	2.01	0.40	0.22
Accumulated Depreciation	7.96	7.96	7.27	3.01	0.88	0.48
Closing Balance	5.19	5.19	4.86	5.45	2.32	1.38
NSDC Equipment						

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Opening Balance	4.14	-	-	-	-	-
Addition during the year	-	4.14	-	-	-	-
Reduction during the year	-	-	-	-	-	-
Depreciation During the year	1.17	0.70	-	-	-	-
Accumulated Depreciation	1.87	0.70	-	-	-	-
Closing Balance	2.27	3.45	-	-	-	-

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
FURNITURE & FIXTURES						
Opening Balance	30.18	23.08	20.55	18.63	4.95	4.09
Addition during the year	0.41	7.11	2.53	1.91	13.68	0.86
Reduction during the year	-	-	-	-	-	-
Depreciation During the year	2.78	3.98	3.72	3.97	2.77	0.60
Accumulated Depreciation	18.99	16.21	12.23	8.51	4.54	1.76
Closing Balance	11.60	13.97	10.84	12.04	14.10	3.19
VEHICLES						
Opening Balance	472.20	336.89	193.23	156.46	95.86	19.16
Addition during the year	-	161.37	143.66	36.77	60.60	76.70
Reduction during the year	-	26.06	-	-	-	-
Depreciation During the year	53.92	93.11	68.22	44.11	23.73	12.16
Accumulated Depreciation	297.25	243.33	150.21	82.00	37.89	14.15
Closing Balance	174.95	228.91	186.67	111.23	118.57	81.70
COMPUTER						
Opening Balance	45.66	35.64	28.70	19.90	11.91	3.90
Addition during the year	9.50	10.02	6.93	8.81	7.99	8.00
Reduction during the year	-	-	-	-	-	-
Depreciation During the year	5.45	7.92	8.49	10.27	4.28	1.99
Accumulated Depreciation	39.99	34.54	26.62	18.13	7.76	3.48
Closing Balance	15.16	11.12	9.02	10.58	12.13	8.43
LAND						
Opening Balance	758.74	-	-	-	-	-
Addition during the year	340.08	758.74	-	-	-	-
Reduction during the year	24.97	-	-	-	-	-
Closing Balance	1,073.85	758.74	-	-	-	-
Gross Block	1,785.82	1,355.61	413.98	255.73	202.98	119.36
Net Addition	430.21	941.63	158.24	52.75	83.62	85.92
Total Depreciation For the Year	82.91	114.46	85.20	62.14	31.70	15.60
Transitional Adjustment	-	-	-	0.51	-	-
Total Accumulated Depreciation	397.91	315.00	200.54	115.34	52.69	20.98
Net Block	1,387.91	1,040.61	213.43	140.39	150.29	98.38

RESTAD STATEMENT OF DEFERRED TAX ASSET**Annexure-XVI**

(₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Deferred Tax Assets	45.28	36.46	21.27	11.40	2.16	64.91
Deferred Tax Assets (Net)	45.28	36.46	21.27	11.40	2.16	64.91

Annexure-XVII**RESTATED STATEMENT OF INVENTORIES**

(₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Materials and Consumables*	76.93	12.85	11.38	-	-	-
Total	76.93	12.85	11.38	-	-	-

*Inventories are valued at lower of cost or net realizable value

RESTATED STATEMENT OF TRADE RECEIVABLES**Annexure-****XVIII**

(₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Trade Receivables						
O/s less than six months						
Considered good						
- Promoter/Promoter group						
- Others, unsecured	1913.60	1,705.56	1,338.25	1,057.69	826.27	569.11
O/s more than six months						
- Promoter/Promoter group						
- Others						
T O T A L	1913.60	1,705.56	1,338.25	1,057.69	826.27	569.11

Annexure-XIX**RESTATED STATEMENT OF CASH & CASH EQUIVALENTS**

(₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Cash and Cash Equivalent						
Cash in hand	4.81	11.49	22.81	0.72	1.92	29.50
Balances with Banks						
-in Current accounts	300.83	303.74	395.00	421.27	20.40	7.32
Bank Balances with restricted use						
Margin Money against Bank Guarantees	86.01	71.23	32.46	24.18	15.48	2.00
Total	391.64	386.46	450.27	446.17	37.80	38.82

RESTATED STATEMENT OF SHORT TERM LOANS AND ADVANCES
Annexure-XX
(₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Unsecured , Considered Good						
Salary Advances	546.39	38.24	510.57	10.75	3.77	8.00
Project advances	0.78	6.88	-	-	-	-
Advances to suppliers	6.09	6.40	-	-	-	-
Advances for expenses	-					
Advances for capital goods	126.26	-	340.47	-	-	-
Advances for Vehicles	-	-	10.00	-	-	-
Total	679.52	51.52	861.04	10.75	3.77	8.00

RESTATED STATEMENT OF OTHER CURRENT ASSETS
Annexure-XXI
(₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Balances with Statutory Authorities	2.28	61.21	65.69	108.36	81.21	-
Deposits	60.95	25.72	28.69	28.26	20.80	18.85
Accrued Interest	9.01	11.01	4.52	2.79	0.89	0.09
Prepaid Expenses	13.75	1.28	7.18	1.90	-	-
Grants receivable	125.83	156.45	147.33	-	6.04	3.77
Expenses Receivable for Projects	3.10	2.58	2.24	-	-	-
Other Receivables	19.69	32.74	-	-	-	-
Total	234.62	290.98	255.65	141.31	108.93	22.71

RESTATED STATEMENT OF REVENUE FROM OPERATIONS
Annexure-XXII
(₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Sale of Services						
House Keeping	3,124.56	3,073.05	2,071.79	1,497.95	908.22	596.00
Security Service Charges	4,949.38	5,990.03	4,922.03	4,237.69	3,218.80	2,198.77
NSDC	-	-	33.56	-	-	-
Net Sales Total	8,073.93	9,063.08	7,027.38	5,735.64	4,127.02	2,794.77

RESTATED STATEMENT OF GRANTS RECEIVED FOR SKILLS PROJECTS
Annexure-XXIII
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Odisha Government	70.06	60.15	72.95	38.92	-	-
Karnataka Government	142.88	71.61	144.16	80.14	-	-
Assam Government	117.81	42.43	140.87	27.06	-	-
Kerala Government	34.42	24.33	108.86	6.60	-	-
Maharashtra Government	47.49	100.97	1.39	-	-	-
EGMM Grant					23.75	5.36
Total	412.67	299.50	468.23	152.72	23.75	5.36

RESTATED STATEMENT OF OTHER INCOME
Annexure-XXIV
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Interest income	0.16	12.24	3.80	2.37	1.31	0.29
Non-operating income	0.89	12.79	0.01	-	-	-
Total	1.06	25.03	3.82	2.37	1.31	0.29

RESTATED STATEMENT OF COST OF MATERIAL CONSUMED
Annexure-XXV
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Opening stock of Consumables	12.85	11.38	-	-	-	-
Staff Dress, Uniform & Material Purchase	156.57	153.14	182.80	138.98	433.12	64.16
Closing stock of consumables	76.93	12.85	11.38	-	-	-
Cost of Material consumed	92.49	151.67	171.42	138.98	433.12	64.16

RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSES
Annexure-XXVI
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Salaries and Wages	6,172.98	7,086.74	5,402.34	4,557.20	3,059.01	2,318.14
Bonus and Contribution to Provident and provision for Gratuity	424.34	489.52	380.32	191.00	132.29	80.72
Staff Welfare Expenses	46.17	27.79	21.29	44.56	18.46	10.56
Directors Remuneration	58.00	62.00	42.00	29.00	24.00	12.00
Total	6,701.48	7,666.05	5,845.94	4,821.76	3,233.76	2,421.42

RESTATED STATEMENT OF EXPENSES RELATED TO GRANTS FROM GOVERNMENT FOR SKILLS PROJECT

 Annexure-
XXVII
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Odisha Government	70.06	60.15	72.95	38.92	-	-
Karnataka Government	142.88	71.61	144.16	80.14	-	-
Assam Government	117.81	42.43	140.87	27.06	-	-
Kerala Government	34.42	24.33	108.86	6.60	-	-
Maharashtra Government	47.49	100.97	1.39	-	-	-
Total	412.67	299.50	468.23	152.72	-	-

RESTATED STATEMENT OF FINANCE COST

 Annexure-XXVIII
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Interest Expenses	162.71	144.56	86.68	17.05	8.55	4.59
Other Borrowing Costs	9.35	2.41	10.71	-	-	-
Total	172.07	146.97	97.40	17.05	8.55	4.59

RESTATED STATEMENT OF OTHER EXPENSES

 Annexure-XXIX
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Advertisement, Publicity & Business Promotion	60.60	74.89	59.80	74.51	30.89	18.44
Audit Fee	0.21	1.40	2.50	2.25	1.80	1.92
Bad Debts	-	8.09	6.10	13.04	11.03	-
Bank Charges	25.60	9.61	4.92	10.67	8.90	8.27
Communication Expenses	16.15	15.25	10.24	12.72	11.98	8.12
Dog Training Expenses	6.86	10.58	5.05	-	-	-
Donation	15.75	14.87	13.83	11.02	2.31	-
Electricity	4.84	4.30	1.94	3.95	6.70	3.53
Insurance	5.35	15.14	4.71	4.40	6.72	7.47
Legal, Professional & Consultancy Charges	17.16	14.59	22.99	23.94	37.30	8.97
License Fees, Rates & Taxes	99.37	40.49	43.44	69.69	7.64	16.67
NSDC Expenditure	52.27	108.46	67.03	-	-	-
Office maintenance	19.18	29.19	38.27	49.50	14.61	6.99
Other Miscellaneous Exp	6.27	-	-	-	-	0.60
Outsourcing Expenses	-	34.17	84.63	20.40	-	-
Pest control Expenses	-	1.02	2.38	1.05	-	-
Printing & Stationery	13.79	3.66	0.59	4.71	5.16	3.30
Rent	23.65	65.97	52.37	31.17	31.62	43.52
Security Service expenditure	-	-	-	20.94	-	-
Travelling & Conveyance	64.66	62.48	56.61	38.20	40.40	21.67

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Vehicle Running & Maintenance	17.48	28.66	5.71	24.78	13.23	11.43
Total	449.19	542.8	483.1	416.9	230.2	160.8

STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED**A. Managerial Remuneration :**
 Annexure – XXX
 (₹ In lakhs)

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<i>Whole Time Directors Remuneration</i>						
Salaries and Allowances	58.00	62.00	42.00	29.00	24.00	12.00
Other Fees	-	-	-	-	-	-
Sitting Fees	-	-	-	-	-	-
Total	58.00	62.00	42.00	29.00	24.00	12.00

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

B. Key Managerial Personnel/Directors

For the 9 months ended December 31, 2017	For the year ended March 31,				
	2017	2016	2015	2014	2013
Mr. Srikanth Kodali	Mr. Srikanth Kodali	Mr. Srikanth Kodali	Mr. Srikanth Kodali	Mr. Srikanth Kodali	Mr. Srikanth Kodali
Mr. Radha Krishna P	Mr. Radha Krishna P	Mr. Radha Krishna P	Mr. Radha Krishna P	Mr. Radha Krishna P	Mr. Radha Krishna P

C. Transactions with Related parties

Particulars	For the 9 months ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Directors Remuneration						
Mr. Srikanth Kodali	58.00	62.00	42.00	29.00	24.00	12.00
Loans taken						
Mr. Srikanth Kodali		66.15	-	4.90	35.43	5.00
Mr. Radha Krishna P	8.33	8.33	19.33	19.33	23.53	19.00
	8.33	74.48	19.33	24.23	35.43	24.00

DETAILS OF CONTINGENT LIABILITY AS RESTATED

The Company has the following Contingent Liabilities for which no provision has been made in the books of accounts

Annexure – XXXI
 (₹ In lakhs)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Claims against the Company not acknowledged as debts						
Service Tax	16.87	16.87				
Income Tax	0.96	0.96				
Guarantees given on Behalf of the Company	131.09	71.23	32.46	24.18	15.48	2.00
T O T A L	148.91	89.06	32.46	24.18	15.48	2.00

STATEMENT OF CAPITALISATION
Annexure – XXXII
 ₹ In lakhs

Particulars	Pre Issue (as at December 31, 2017)	Post Issue	
Borrowings			
Short term debt (A)	1,309.15	[●]	
Long Term Debt (B)	858.00	[●]	
Total debts (C=A+B)	2,167.15	[●]	
Shareholders' funds			
Equity share capital (D)	754.29	869.49	
Reserve and surplus - as restated (E)	726.95	1,671.59	
Total shareholders' funds (F=D+E)	1,481.24	2,541.08	
Long term debt / shareholders funds	0.58	[●]	
Total debt / shareholders funds	1.46	[●]	

STATEMENT OF ACCOUNTING RATIOS AS RESTATED
Annexure – XXXIII
 ₹ In Lakhs

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Restated PAT as per P & L Account	437.81	305.97	216.22	199.49	145.29	115.29
Actual Number of Equity Shares outstanding at the end of the year	16.76	13.97	5.59	5.00	5.00	0.10
Equivalent Weighted Avg number of Equity Shares at the end of the year (Before Bonus Issue)	16.76	16.76	15.53	15.00	15.00	15.00

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Equivalent Weighted Avg number of Equity Shares at the end of the year (Post-Bonus Issue)*	75.43	75.43	68.01	67.48	67.48	67.48
Share Capital	167.62	139.68	55.87	50.00	50.00	1.00
Reserves & Surplus	1,313.62	903.75	681.59	418.39	219.42	123.12
Net Worth	1,481.24	1,043.43	737.47	468.39	269.42	124.12
Earnings Per Share:						
Basic & Diluted (Before Bonus issue)	26.12	18.25	13.92	13.30	9.69	7.69
Basic & Diluted (post-Bonus issue)*	5.80	4.06	3.18	2.96	2.15	1.71
Return on Net Worth (%)	29.56%	29.32%	29.32%	42.59%	53.93%	92.89%
Net Asset Value Per Share (Rs) - based on actual no. of equity shares at the end of the year	88.37	74.70	131.99	93.68	53.88	1,241.22
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00

* The Company has made Bonus issue on February 22, 2018. The Company has issued bonus shares in the ratio of 3.5:1 (i.e. Three and Half bonus equity share of ` 10 each for every one fully paid up equity shares of ` 10 each), to the shareholders .The EPS (Post Bonus Issue) is also calculated by considering total number of shares after the Bonus issue.

Notes to Accounting Ratios:

1. The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure V & VI respectively.

2. Formulas used for calculating above ratios are as under:

- Basic EPS is calculated by using the formula: (Net Profit after excluding Extra-ordinary items / Equivalent Weighted Average No. of outstanding shares)
- Net Asset Value is calculated by using the formula: (Net Worth /Actual Number of Equity Shares at year end)
- Return on Net worth is being calculated by using the formula: (Profit After Tax / Net worth)

✓ There is no revaluation reserve in last five years in the company.

✓ As there is no dilutive capital in the company, Basic and Diluted EPS are similar.

✓ In case of Bonus issue, the number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. Accordingly the EPS is calculated by adjusting the number of shares proportionately taking issue of Bonus shares into consideration at the beginning of the earlier reporting periods.

STATEMENT OF TAX SHELTERS AS RESTATED

 Annexure - XXXIV
 ₹ In Lakhs

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<u>NORMAL TAX</u>						
Income Tax Rate (%)	33.06%	33.06%	32.45%	32.45%	30.90%	30.90%
Restated Income before tax as per books (A)	576.86	466.15	348.11	281.14	214.66	133.78
Incomes considered separately						
Total Incomes considered separately (B)	-	-	-	-	-	-
Restated Profit other than income considered separately (C)=(A-B)	576.86	466.15	348.11	281.14	214.66	133.78
Tax Adjustment						
Permanent Differences						
Section 40 Disallowance	96.94	27.38	36.76	62.88	3.15	13.14
Donations	10.75	9.87	8.83	6.00	2.31	-
Total Permanent Differences (D)	96.94	37.25	45.59	68.87	5.45	13.14
Timing Differences						
Book Depreciation (a)	82.91	114.46	85.20	62.14	31.70	15.60
Income Tax Depreciation allowance (b)	(56.23)	68.53	53.33	33.64	25.26	13.10
Section 43B Disallowance (c)					(209.54)	209.54
Total Timing Differences (E=a-b+c)	26.67	45.93	31.87	28.50	(203.10)	212.03
Income From Business or Profession (F)=(C+D+E)	700.47	549.33	425.58	378.52	17.02	358.95
Taxable income from other sources (G)	-	-	-	-	-	-
Taxable Income/(Loss) (F+G)	700.47	549.33	425.58	378.52	17.02	358.95
Unabsorbed Losses	-					
Gross Total Income	700.47	549.33	425.58	378.52	17.02	358.95
Deductions under chapter VI-A						

Particulars	As at December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Taxable Income	700.47	549.33	425.58	378.52	17.02	358.95
Tax on Total Income	231.60	181.63	138.08	122.81	5.26	110.92
<u>MINIMUM ALTERNATE TAX</u>						
Minimum Alternate Tax Rate (%)	20.39%	20.39%	20.01%	20.01%	19.06%	19.06%
Restated Income before tax as per books (A)	576.86	466.15	348.11	281.14	214.66	133.78
	-					
Book Profit u/s 115JB	576.86	466.15	348.11	281.14	214.66	133.78
MAT on Book Profit	117.62	95.04	69.65	56.25	40.90	25.49
Tax paid as per normal or MAT	Normal	normal	normal	normal	MAT	normal
Total Tax as per Return		175.38	141.76	128.51	43.13	83.81
Difference		6.25	(3.69)	(5.70)	(2.23)	27.10

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS 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 financial period ended December 31, 2017, the financial years ended March 2017, March 2016 and March 2015, respectively, prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "*Financial Statements*" beginning on page 156 of this Draft Prospectus.

Indian GAAP differs in certain material aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI (ICDR) Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "*Risk Factors*" and "*Forward-Looking Statements*" beginning on page 17 and 15, respectively, of this Draft Prospectus.

The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for the financial period ended December 31, 2017 and for the financial years ended March 2017, 2016 and 2015.

OVERVIEW

Our Company, Kapston Facilities Management Limited (KFML), was incorporated in the year 2009 and is a provider of private security and facility management services in India. KFML has grown considerably over such a short span and is one of the leading service providers of Security Services in Telangana & Andhra Pradesh. We are an ISO 9001 & OHSAS 18001 certified company for providing Integrated Facility Management Services for Security, House Keeping, M&E (Electro Mechanical) and Landscaping (Horticulture) and allied services. Backed by a team of dedicated and expertised persons from multifaceted segments providing services to large private sector, Multinational companies and other sectors. We provide smartly uniformed, highly trained and professional guards who are responsible for security and safety of assets, personnel and property against losses due to thefts, pilferage and instructions. Our Company is MSME Certified with PSARA License and are members of esteemed organisations such as APSA, SCSC IISSM, CAPSI, SSSDC and FTAPCCI. Further, our company has received NSIC- CRISIL Performance and Credit Rating of MSE*2, High credit worthiness in relation to other MSEs.

Presently we have around 6394 employees, including a team of competent & qualified professionals & esteemed clients spread across different locations. Optimum combination of Human Resource pool backed by spotless integrity, Kapston provides a comprehensive array of security solutions to endow our clients with an unmatched feeling of safety and sense of security. Keeping in trend with time and technology, we proactively design and implement training modules, to reinforce our client's trust in us. Over the last decade, our strength has grown in numbers as well as widening our spectrum of Security Services to an extent where Kapston has become an Integrated Facility Management Solution Provider.

With headquarters in Hyderabad (2 offices- Registered office and Corporate office), Kapston boasts of a widespread branch network consisting of 4 additional branch offices and 8 training centres across 10 cities in 8 states. Of the above, the Government aided training centres under the prestigious 'Deen Dayal Upadhyaya Grameen Kaushalya Yojana' (DDUGKY) project under the Ministry of Rural Development (MoRD) in the states of Maharashtra, Karnataka, Odisha, Assam and Kerala in Security, Housekeeping and Hospitality-F & B services., All training centres incentivizes corporates to Train and Recruit youth in select skills. This scheme operates on a Public-Private Partnership model (PPP model) and provides subsidies based on the number of youth trained and recruited by the partner. The DDUGKY scheme not only provides a steady stream of competent

workforce but also defrays the cost of training which would in any case be incurred in normal course of business. We have recently set up a branch offices in Chennai and has put in place an aggressive growth strategy in place in these fast growing markets for better opportunities.

We have partnered with ‘National Skill Development Corporation’ (NSDC) with a target to train and provide employment to unemployed youth by the year 2025 across various segments. NSDC, is a one of its kind, Public Private Partnership set-up by Ministry of Finance working under the supervision and control of Ministry of Skill Development and Entrepreneurship, with the primary mandate of catalysing the skills landscape in India. NSDC is a unique model created with the main objectives:

- Upgrade skills to international standards through significant industry involvement and develop necessary frameworks for standards, curriculum and quality assurance
- Enhance, support and coordinate private sector initiatives for skill development through appropriate Public-Private Partnership (PPP) models; strive for significant operational and financial involvement from the private sector
- Play the role of a "market-maker" by bringing financing, particularly in sectors where market mechanisms are ineffective or missing
- Prioritize initiatives that can have a multiplier or catalytic effect as opposed to one-off impact.

By partnering with NSDC, Kapston has embarked on a venture in line with the National mission of generating employment for the unemployed youth and thereby alleviate poverty, besides also enhancing overall skills towards the Nations Development Index.

We serve prominent names of various segments including IT & ITES, Multinational Corporations (MNCs), Corporates, Industries, Banks, Hotels, Hospitals, Malls & Retail, Infrastructure, Construction projects and Residential Sites, etc. We have set up an extensive employee platform which spans recruitment, customized training and development, deployment, incentivization and management of personnel. We have reach for manpower sourcing and training and currently operate 9 training academies in our security services personnel undergo extensive physical and classroom training. Our personnel recruitment, training and deployment initiatives are process oriented and technology driven with detailed performance indicator tracking, reporting and evaluation of personnel. Presently we have over 6394 employees of which billable personnel are 3785 employed for security services and 2380 for facility management services rendered, additionally there are 229 unbillable personnel on the payroll of the Company.

Our Company is promoted and managed by Mr. Srikanth Kodali and Mr. Radha Krishna Pinnamaneni having over a decade of experience in operating our line of business. In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations and also acquire and integrate businesses. For further details see “Our Management” on page 134 of this Draft Prospectus.

Our vision is to become the leading Skills Development Company in the Security Services and Integrated Facility Management Services (IFMS) Industry within South India. Our endeavor is to empower the youth with strong skills-set, whilst also bringing about an improvement in the quality of life and thereby setting even higher standards across the entire segment. By working to ensure 100% placement in the Security and IFMS industry, we would not only be growing the operations of our business but also aid nation building by generating employment to the unemployed section of the population. In essence, our pre-requisite would be to benchmark Kapston’s profile with the highest International standards and also secure absolute client satisfaction.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

- Experienced Promoter and proficient management team
- Customised service offering for various requirements of the customers
- Long standing relationship with our customers
- Systematic Network
- Dedicated facilities for training and imparting skills

DISCUSSION ON RESULT OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the restated financial statements for the financial period ended December 31, 2017 and the financial years ended March 2017, March 2016 and March 2015.

OVERVIEW OF REVENUE & EXPENDITURE

Amount (₹ In Lakhs)

Particulars	As At March 31			
	31-12-17	2017	2016	2015
INCOME				
Revenue from Operations				
Revenue from Security and House Keeping Services	8073.93	9063.08	7027.38	5735.64
As a % of Total Revenue	95.13%	96.54%	93.70%	97.37%
Grants received for Skills Projects	412.67	299.50	468.23	152.72
As a % of Total Revenue	4.86%	3.19%	6.24%	2.59%
Other Income	1.06	25.03	3.82	2.37
As a % of Total Revenue	0.01%	0.27%	0.05%	0.04%
Total Revenue	8,487.66	9,387.61	7,499.43	5,890.73
EXPENDITURE				
Cost of Materials consumed	92.49	151.67	171.42	138.98
As a % of total Revenue	1.08	1.78	2.01	1.64
Employee Benefit expenses	6701.48	7666.05	5845.94	4821.76
As a % of total Revenue	78.95%	81.66%	77.95%	81.85%
Expenses related to Grants for Skills Projects	412.67	299.50	468.23	152.72
As a % of total Revenue	4.86%	3.19%	6.24%	2.59%
Finance Cost	172.07	146.97	97.40	17.05
As a % of total Revenue	2.02%	1.56%	1.29%	0.29%
Depreciation & Amortization Expenses	82.91	114.46	85.20	62.14
As a % of total Revenue	0.98%	1.19%	1.14%	1.05
Other Expense	449.19	542.81	483.12	416.93
As a % of total Revenue	5.29%	6.40%	5.69%	4.91%
Total Expenditure	7910.80	8921.45	7151.32	5609.59
As a % of Total Revenue	93.20%	95.03%	95.36%	95.22%
Profit Before Exceptional & Extraordinary items and tax	576.86	466.15	348.11	281.14
As a % of Total Revenue	6.80%	4.97%	4.64%	4.77%

Particulars	As At March 31			
	31-12-17	2017	2016	2015
Exceptional items	0	0	0	0
As a % of Total Revenue	-	-	-	-
Extraordinary items	0	0	0	0
As a % of Total Revenue	-	-	-	-
Profit before tax	576.86	466.15	348.11	281.14
PBT Margin	6.80%	4.97%	4.64%	4.77%
Tax Expenses :				
(i) Current tax	147.87	175.38	141.76	90.90
(ii) Prior period Taxes				
(iii) Deferred Tax Liability /(Asset)	8.82	15.19	9.87	9.25
Total	139.05	160.19	131.89	81.66
As a % of Total Revenue	1.63%	1.71%	1.76%	1.36%
Profit for the Year	437.81	305.97	216.22	199.49
PAT Margin	5.15%	3.26%	2.88%	3.38%

Income from operations:

We provide mainly two areas of services namely housekeeping services and security services. We also undertake skills development program for which we receive Government Grants from different States. We are also associated with National Skill Development Commission of India and conduct various activates for them.

Grants received for Skills Projects:

We undertake skills development projects which includes training and providing skills to people and we receive grants from different State Governments. Grants are accounted through income approach i.e. Income shall be recognized on a rational and systematic basis over the period to match the related costs, hence recognized receivables when there is reasonable certainty of receiving the grant as the conditions for receiving revenue grants are completed. Any advance received is accounted under current liabilities.

Other Income:

Our other income mainly includes income items such as interest earned on bank deposits and others, net gain on sale of Fixed Assets, etc.

Expenditure

Our total expenditure primarily consists of direct expenditure i.e. cost of materials (Housing keeping and other items of consumables, spares) consumed, finance cost, employee benefit expenses, depreciation and other expenses.

Employee benefits expense

Our employee benefits expense primarily comprises of, salaries and wages expenses, director's remuneration, incentives to staff, contributions towards gratuity, provident fund and employee state insurance, other employee benefits expense such as staff pension and welfare expenses, bonus, medical expenses, amongst others.

Expenses related to Grants from Government for Skills Projects

Our expenses are in line with Grants received from Government and are accounted on the basis of expenditure made, Grants receivable are accounted under current assets and any advance received are classified under current liabilities.

Finance Costs

Our finance costs include interest on loans b, finance charges, etc.

Depreciation

Depreciation includes depreciation on tangible assets like plant and machinery and equipment, vehicles, furniture, computers etc.

Other Expenses

Other expenses include, National Skill Development Corporation (NSDC) Expenditure incurred to provide training under the corporation, business development, administrative, selling & distribution expenses such as electricity charges, consultancy charges, donations, communication expenses, travelling & conveyance expenses, rent expenses, etc.

REVIEW OF NINE MONTHS PERIOD ENDED DECEMBER 31, 2017**INCOME****Income from Operations**

Our income from operations was ₹ 8,073.93 Lakhs which is about 95.13% of our total revenue for the period of nine months ended on December 31, 2017, which includes sales of services.

Grants received

Grants received from Government for skill development program for the period of nine month ended December 31, 2017 is Rs.412.67 lakhs.

Other Income

Our other income was ₹ 1.06 Lakhs which includes interest, miscellaneous income.

EXPENDITURE**Cost of Materials Consumed**

Cost of materials consumed as a percentage to total revenue is 1.15% during the nine month period ended 31st December, 2018. The consumption percentage for Financial Year 2016-17 was 1.67%.

Employee Benefits Expenses

Our employee benefits expenses were ₹ 6,701.48 Lakhs which was 78.95% of our total revenue for the period of nine months ended on December 31, 2017 and comprised of director's remuneration, salaries and wages expenses, incentives to staff, provision for gratuity, provident fund and employee state insurance, other employee benefits expenses, etc.

Expenses related to Grants

Our grant related expenditure was ₹ 412.67 Lakhs for the period of nine months ended on December 31, 2017. This is in line with grant received, advance of grant received is classified under current liabilities and receivable is classified under current assets.

Finance Cost

Our finance cost was ₹ 172.07 Lakhs which is 2.03 % of our total revenue for the period of nine months ended on December 31, 2017

Depreciation

Depreciation expenses were ₹ 82.91 Lakhs which is 0.98% of our total revenue for the period of nine months ended on December 31, 2017

Other Expenses

Our other expenses were ₹ 449.19 Lakhs which is 5.29% of our total revenue for the period of nine months ended on December 31, 2017

Net Profit

Our Net Profit after Tax was ₹ 437.81 Lakhs which is 5.15 % of our total revenue for the period of nine months ended on December 31, 2017. The other major contribution came from control on other expenses which has improved the margins for the Company.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016

INCOME

Income from Operations

(₹ in Lakhs)

Particulars	2016-2017	2015-2016	Variance in %
Operating Income	9,063.08	7027.38	28.97%

The operating income of the Company for the year ending March 31, 2017 is ₹ 9,063.08 Lakhs as compared to 7,027.38 Lakhs for the year ending March 31, 2016, showing an increase of 28.97%.

Grants received for Skills Projects:

Our total grants from State Governments for undertaking skills Projects is deviated in 2017 because of reduction in Projects out of Maharashtra and increased in Maharashtra State by 71.49%. The reason for reduction was the development was provided in 2015-16 in those states and in 2016-17 only part of the program was pending.

Other Income

Our other income increased by 555.23% from 3.82 Lakhs for year ending March 31, 2016 to ₹ 25.03 Lakhs in year ending March 31, 2017. This was due to increase in interest on FD and profit on sale of fixed assets.

EXPENDITURE

Cost of Materials Consumed

Cost of materials consumed have been decreased from 171.42 Lakhs in Financial Year 2015-16 to 151.67 Lakhs in Financial Year 2016-17 showing a decrease of 11.52% over the previous year. The reduction in cost of uniform clothes and certain consumable items.

Grants expenditure incurred for Skills Projects:

Our Expenses related to Grants for Skills Projects reduced from ₹468.28 lakhs in Financial Year 2015-16 to ₹299.50 Lakhs in Financial Year 2016-17 which is in line with Grants received from Government and are accounted on the basis of expenditure made, Grants receivable are accounted under current assets and any advance received are classified under current liabilities.

Administrative and Employee Costs

(₹ in Lakhs)

Particulars	2016-17	2015-16	Variance in %
Employee Benefit Expenses	7,666.05	5,845.94	31.13%
Other Expenses	542.81	483.12	12.35%

There is an increase in employee benefit expenses from ₹5,845.94 Lakhs to ₹7,666.05 Lakhs due to rise in the number of staff. As our company being in service industry, increase in revenue is in line with increase in staff and slabs of wages paid.

Other expenses which includes both consumables and administrative expenses increased by 12.35% in F.Y 2016-2017 mainly due to increase NSDC expenditure, vehicle running and maintenance expenses, business promotion expenses, etc.

Finance Charges

The Finance Cost for the F.Y.2016-2017 has increased by 50.90% to ₹146.97 Lakhs from ₹97.40 Lakhs in F.Y.2015-2016 which is in line with increase in borrowings and operations of the Company.

Depreciation

Depreciation expenses for the Financial Year 2016-17 have increased to 114.46 Lakhs as compared to 85.20 Lakhs for the Financial Year 2015-16. This was increased due to addition of fixed assets to the tune of 967.70 Lakhs

Profit after Tax

(₹ In Lakhs)

Particulars	2016-2017	2015-2016	Variance in %
Profit after Tax	305.97	216.22	41.51%

Increase in PAT as on March 31, 2017 is due to increase in operation revenue. It was ₹ 7,027.38 Lakhs as on March 31, 2016 as compared to ₹ 9,063.08 Lakhs as on March 31, 2017.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015

INCOME

Income from Operations

(₹ In Lakhs)

Particulars	2015-2016	2014-2015	Variance in %
Operating Income	7,027.38	5,735.64	22.52%

The operating income of the Company for the financial year 2015-2016 was ₹7,027.38 Lakhs as compared to ₹5,735.64 Lakhs for the financial year 2014-2015, showing an increase of 22.52%. The overall increase was due to increase in housekeeping services revenue which was around 38.31% increase and 16.15% increase in security services followed by NSDC income of 33.56 Lakhs.

Grants received for Skills Projects:

Our total grants from State Governments for undertaking skills Projects is increased in 2015-16 by 206.59% because of substantial increase in grants from Odisha, Karnataka, Assam and Kerala Governments.

Other Income

Our other income increased by 61.18% from 2.37 Lakhs in financial year 2014-2015 to 3.82 Lakhs in financial year 2015-2016. This was due to increase in other interest income.

EXPENDITURE

Cost of Materials Consumed

Our cost of materials consumed have increased from 138.98 Lakhs in Financial Year 2014-15 to 171.42 Lakhs in Financial Year 2015-16 showing a increase of 23.34% over the previous year. The increase was due to increase in staff and which laid to increase in staff expenditure and increase in operations of the company.

Administrative and Employee Costs

(₹ in Lakhs)

Particulars	2015-2016	2014-2015	Variance in %
Employee Benefit Expenses	5,845.94	4821.76	21.24%
Other Expenses	483.12	416.93	15.88%

There is a increase in employee benefit expenses from 4,821.76 Lakhs in financial year 2014-15 to 5,845.94 in financial year 2015-16 due to increase in number of employees thus resulting in increase in salary costs and payment of employee contributions and incentives. The same is commensurate with increase in revenue from operations in service sector.

Other expenses which includes both consumables and administrative expenses increased by 15.88 % in F.Y 2015-2016 mainly due to increase in consumables, Rent, NSDC expenditure, outsourcing expenses, traveling and conveyance expenses, etc.

Finance Charges

The Finance Cost for the F.Y.2015-2016 has increased by 471.26% from ₹17.05 Lakhs in F.Y.2014-2015 to 97.40 Lakhs in F.Y.2015-2016. This shows an increase of 99.33% compared to last financial year as to finance NSDC activities. Company has obtained Overdraft Facilities, Term Loans and working capital facilities from the banks. This has led to an increase in the finance charges.

Depreciation

Depreciation expenses for the Financial Year 2015-16 have increased to 85.20 Lakhs as compared to 62.14 Lakhs for the Financial Year 2014-15. This was increased due to addition of fixed assets to the tune of 158.24 Lakhs.

Profit after Tax

(₹ in Lakhs)

Particulars	2015-2016	2014-2015	Variance in %
Profit after Tax	216.22	199.49	8.39%

Our profit after tax increased by 8.39% from 199.49 Lakhs in financial year 2014-15 to 216.22 Lakhs in financial year 2015-16 due to overall increase in the revenue of the Company.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2015 WITH FINANCIAL YEAR ENDED MARCH 31, 2014

INCOME

Income from Operations

(₹ in Lakhs)

Particulars	2014-2015	2013-2014	Variance in %
Operating Income	5,735.64	4,127.02	38.98%

The operating income of the Company for the year ending March 31, 2015 is 5,735.64 Lakhs as compared to 4,127.02 Lakhs for the year ending March 31, 2014, showing a marginal increase of 38.98%. Such increase was mainly due to increase in our business operations.

Grants received for Skills Projects:

Our grants from State Governments increased to ₹152.72 Lakhs in Financial Year 2014-15 by 543.13% as compared to Financial Year 2013-14. The increase was due to fresh grants received from Odisha, Karnataka, Assam and Kerala State Governments for undertaking skill development programs. In Financial Year 2013-14 EGMM grant income was of ₹ 23.75 Lakhs.

Other Income

Our other income was marginally increased by 80.92% from 1.31 Lakhs in financial year 2013-14 to 2.37 Lakhs in financial year 2014-15.

EXPENDITURE

Administrative and Employee Costs

(₹ in Lakhs)

Particulars	2014-2015	2013-2014	Variance in %
Employee Benefit Expenses	4,821.76	3,233.76	49.11%
Other Expenses	416.93	230.28	81.05%

There is an increase of 49.11% in employee benefit expenses from 3233.73 Lakhs in financial year 2013-14 to 4821.76 in financial year 2014-15 which is due to increase in director's remuneration and salary costs and other employee's benefits.

Our other expenses increased by 81.05% from 230.28 Lakhs in financial year 2013-14 to 416.93 Lakhs in financial year 2014-15. This increase could be attributed to increase in administrative expenses and other costs.

Finance Charges

Our finance charges have increased from 8.55 Lakhs in financial year 2013-14 to 17.05 Lakhs in financial year 2014-15. This shows an increase of 99.42% compared to last financial year due to Increase interest on term loan because company has added new vehicles F.Y.2014-2015 and

Profit after Tax

(₹ in Lakhs)

Particulars	2014-2015	2013-2014	Variance in %
Profit after Tax	199.49	145.29	37.30%

Our profit after tax increased by 37.30% from 145.29 Lakhs in financial year 2013-14 to 199.49 Lakhs in financial year 2014-15 due to decrease in other expenses and increase in revenue level.

OTHER MATTERS

1. Unusual or infrequent events or transactions

There has not been any Unusual or infrequent events or transactions that have significantly affected operation of the company

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

Other than as described in the section titled "Risk Factors" beginning on page 17 of this Draft Red Herring Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

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

Other than as disclosed in the section titled “*Risk Factors*” beginning on page 17 of this Draft Red Herring Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. Future relationship between Costs and Income

Other than as disclosed in the section titled “*Risk Factors*” beginning on page 17 of this Draft Red Herring Prospectus to our knowledge there are no factors which will affect the future relationship between costs and Income or which are expected to have a material adverse impact on our operations and finances

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

The increase in revenue is by and large linked to increases in volume of business activity by the Company.

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

The Company operates in single segment in context of accounting standard 17 on segment reporting issued by ICAI

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

Our Company has not announced any new products

8. The extent to which the business is seasonal

Our Company’s business is Non seasonal in nature.

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

Our Company is not significantly dependent on a single or few suppliers or customers. In Fiscal Year 2017, our top 10 clients contributed 42.47%, of our total revenues while our largest client contributed 17.12%, of our total revenues.

10. Competitive Conditions

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “Our Business” on page 99 of this Draft Prospectus.

11. Changes in Accounting Policies in Last Three Years

There has been no other change in accounting policies in the last three years.

FINANCIAL INDEBTEDNESS

Our Company avail loans in the ordinary course of business for the purposes of working capital requirements. For the Issue, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, such as change in its capital structure, change in its shareholding pattern or change or amendment to the constitutional documents of our Company.

Pursuant to a special resolution of our Shareholders passed at the extraordinary general meeting held on December 5, 2014, our Board has been authorized to borrow from time to time as they may think fit, any sum or sums of money not exceeding ₹ 10,000 Lakhs (Rupees One Hundred Crores only) [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immoveable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

As on the date of filing of this Draft Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013.

Category of the Borrowing	Sanctioned Amount (₹ in lakhs)	Outstanding amount as on December 31, 2017 (₹ in lakhs)	Rate of Interest (%)	Tenure (in Months)
Fund Based				
HDFC Bank	1200.00	771.92	1 Year MCLR 8.15 Presently: 10.00 p.a.	On Demand
HDFC Bank	150.00	146.41	1 Year MCLR 8.15 Presently: 10.00 p.a.	36
National Skill Development Corporation	434.17	434.17	6.00 p.a.	120
Non-Fund Based				
HDFC Bank	150.00	60.11	-	12
Unsecured Loan				
Aditya Birla Finance Ltd	50.00	37.26	18.50%	24
Bajaj Finance Ltd	24.10	5.81	19.25%	24
Bajaj Finance Ltd	27.90	16.91	19.00%	12
Capital First Ltd	41.50	4.06	18.50%	24
Capital First Ltd	55.80	41.53	18.00%	24
Capital Float	35.00	3.46	19.50%	12
Capital Float	50.00	41.12	19.50%	36
Edelweiss Retail Finance Ltd	40.00	29.77	18.00%	24
Equitas Small Finance Bank Ltd	40.00	29.81	18.50%	24
Fullerton India Credit co. Ltd	50.00	39.23	18.00%	24
HDFC Bank	50.00	36.90	14.75%	24
India Info line Finance Ltd	50.00	37.21	18.00%	24
Indusind Bank Ltd	50.00	41.08	18.75%	24
Kotak Mahindra Bank Ltd	45.00	13.42	18.72%	36
Kotak Mahindra Bank Ltd	50.00	41.09	18.35%	24
Religare Finvest Ltd	41.60	4.08	18.50%	24

Category of the Borrowing	Sanctioned Amount (₹ in lakhs)	Outstanding amount as on December 31, 2017 (₹ in lakhs)	Rate of Interest (%)	Tenure (in Months)
Standard Chartered Bank	25.00	22.15	16.50%	36
Shriram City Union Finance Ltd.	30.00	24.66	20.00%	24
Tata Capital Financial Services Ltd	36.00	26.85	17.71%	24
Tata Capital Financial Services Ltd	40.00	9.59	18.30%	24
Magma Fincorp Ltd	40.00	29.77	18.00%	24
Magma Fincorp Ltd	30.00	4.38	18.50%	24
Vehicle Loan				
Alphera Financial Services	49.50	13.93	12.11	60
Kotak - skoda vehicle	8.50	3.31	10.53	60
Alphera Financial Services	11.50	4.52	10.50	60
Alphera Financial Services	9.00	3.71	10.75	60
HDFC Bank (Jaguar vehicle)	105.00	58.43	9.86	60
HDFC Bank (Porche)	134.19	100.27	9.36	60
HDFC Bank (Volkswagen)	9.99	0.22	11.75	60
			10.50	84
Canara Bank (Travera)	9.00	7.05	(BR+0.50%)	
Canara Bank (Audi)	79.00	74.75	8.90	60
Loans from related parties				
Radha Krishna P	8.33	8.33	NA	On Demand

Principal terms of the borrowings availed by our Company:

Some of the principal terms of the borrowing availed by us are set out below:

- **Security:** In terms of our borrowings where security needs to be created, we are typically required to:
 - ✓ Hypothecation of Intellectual property, assets & cash flows of Project Milestone and pledge of 51% shares of the company in favour of National Skill Development Corporation;
 - ✓ Hypothecation of Book Debts, receivables and Security deposit of ₹ 37,50,000 with HDFC Bank;
 - ✓ Collateral security as (i) Self Occupied Residential Villa at Villa no. 120, H.No. 15-31-IFF/120, In Sy No. 1009, situated at “Indu Fortune Fields”, phase –XIII, KPBH Colony, Kukatpally village, GHMC Kukatpally circle, Balanagar Mandal, Ranga Reddy District 500 072 (ii) Residential property situated at land in survey No. 51, Situated at Nacharam village and Gram
 - ✓ Panchayat, Maheswaram Mandal, Ranga Reddy District- 500 083
 - ✓ Personal guarantee of Mr. Srikanth Kodali & Mr. Radha Krishna Pinnamaneni.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

- **Re-payment:** The tenor of the term loan is 36 (Thirty-Six) months and the cash credit facilities (*depending on the nature of the facility*) ranges to sixty (60) months and some of our cash credit facilities are repayable on demand.
- **Pre-payment conditions:** No pre-payment conditions have been imposed on our Company in relation to the loans availed by our Company.
- **Declaration of dividend:** No dividend to be declared in case of any overdues of the Borrower with Bank.

- **Negative Covenants:** Borrowing arrangement between our Company and the bank contains certain standard covenants as set out below which require prior written permission of the Bank during the currency of the loan facilities:

Restrictive covenants for Cash credit from HDFC Bank

- No dividend shall be declared/ no withdrawal in the form of salary/ remuneration/ incentive/commission by directors/promoters/trustees/ members in case of over dues of the Borrower with the bank
- None of the directors or other members of the governing body of the borrower is a director or relative (as defined under company act, 2013) of the director of the banking company
- No withdrawals of unsecured loans of directors as on during the currency of CC/OD facility
- No interest to be paid on unsecured loans in case of any over dues with the bank
- Unsecured Loans will be converted into equity as and when required by the bank to maintain positive tangible net worth
- The funds will not be utilized for any speculative, illegal and investing in capital market purposes but will be utilized only for working capital requirements

Important terms for NSDC Loan

- The Assistance provided to the company and any interest accrued shall be solely used for the purpose of implementation of project
- Without the prior permission of NSDC, the company shall not
 - a) obtain any further assistance/loan/equity participation in respect of the project and as undertaken under the project proposal;
 - b) enter into any contract or agreement whereby the company is managed by some other person;
 - c) provide any loans / financial assistance including by way of guarantees, indemnities or other assurances of similar nature. This provision shall not apply to loans and advance made to employees or contractors/ suppliers in the ordinary course of business
 - d) pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any obligation undertaken for or by the company
 - e) declare or pay any dividend/ make any distribution of profit or otherwise to any person, so long as any default has occurred/ is subsisting under this agreement and/or any of other facility Agreements
 - f) alter share capital or change its capital structure in any manner whatsoever;
 - g) amend/ alter its Charter Documents in any manner that would or is likely to affect the performance of its obligations hereunder and/ or any rights of the lender;
 - h) undertake or permit any merger, de-merger, consolidation, reorganization, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) tax proceedings; (iv) material litigation, in each case, involving our Company, or our Directors; (v) any litigation involving our Company, our Directors or any other person whose outcome could have a material adverse effect on the position of our Company; (vi) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company in the preceding five (5) years from the date of this Draft Prospectus; (vii) pending proceedings initiated against our Company for economic offences; (viii) material frauds committed against our Company in the preceding five (5) years from the date of this Draft Prospectus; (ix) defaults for non-payment of statutory dues; (x) fines imposed or compounding of offences against our Company in the preceding five (5) years from the date of this Draft Prospectus; (xi) matters involving our Company pertaining to violations of securities law; and (xii) outstanding dues to material creditors and small scale undertakings.

The details of the outstanding litigation or proceedings involving our Company, and our Directors are described in this section in the manner as set forth below. Pursuant to SEBI (ICDR) Regulations, for the purposes of disclosure, our Board on February 22, 2018 has considered all other pending litigations involving our Company, and our Directors, other than criminal proceedings, statutory or regulatory actions, as 'material'. Further, pre-litigation notices received by our Company, Directors (excluding those notices issued by statutory, regulatory or tax authorities), unless otherwise decided by the Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum. Accordingly, we have only disclosed all outstanding litigations involving our Company. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a bearing on the operations or performance of our Company.

I. Criminal Cases filed against our Company: Nil

II. Criminal Cases filed against the Promoters & Directors of our Company: Nil

III. Criminal cases filed by our Company: Nil

IV. Civil cases filed by our Company:

Our Company has filed an application before the Micro and Small Enterprises Facilitation Council (MSEFC) against Capital Concrete Company Private Limited (the "**Defendant**") towards non-payment of ₹2.22 lakhs (₹2,21,628) overdue by the Defendant for supply of security services. The matter is still pending with the Council for further action.

V. Civil case filed by our Promoters & Director: Nil

VI. Material frauds committed against our Company

There have been no instances of material frauds committed against our Company in the preceding five (5) years from the date of this Draft Prospectus.

VII. Past cases where penalties imposed

There are no past cases in the five (5) years preceding the date of this Draft Prospectus, where penalties were imposed on our Company by concerned authorities.

VIII. Past inquiries, inspections and investigations under the Companies Act

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last five (5) years immediately preceding the year of issue of the Draft Prospectus in the case of our Company.

IX. Fines imposed or compounding of offences

There have been no prosecutions filed by our Company (*whether pending or not*) fines imposed, compounding of offences in the last five (5) years immediately preceding the year of the Draft Prospectus.

X. Proceedings initiated against our Company for economic offences

There are no pending proceedings initiated against our Company for any economic offences as on the date of this Draft Prospectus.

XI. Defaults and non-payment of statutory dues

1. The Income Tax Officer Ward -2 (1), Income Tax Department, Hyderabad issued a show cause notice u/s 143(2) on 28 August, 2015 demanding further inspection for Annual return filed in assessment year 2014-15. The Income Tax Officer Ward -2 (1), Hyderabad passed an order dated 19 December, 2016 determining a sum of ₹0.96 Lakh to be payable by the Company as income tax for the assessment year 2014-15 and alleging that company has not credited Employee contribution towards provident fund of ₹ 81,82,956/- and Employee state Insurance of ₹ 11,42,335/-, Different of Excess claim of Interest on fixed deposit of ₹ 19,000/- and Excess claim of Donation of ₹55000. Pursuant to an enquiry in relation to the same,. Our Company filed an appeal before the Commissioner of Income Tax (Appeals), Hyderabad against the order of the Income Tax Officer Ward -2 (1), Hyderabad and the matter is currently pending.
2. Mr.G. Raja Sekhar Reddy – Superintendent, Office of the Commissioner of Customs, Excise & Service Tax Department - anti Evation, Hyderabad -IV issued a notice u/s 65(B) (51) on U/S. 66BDT. Dated 31-8-2015 alleging that Irregular availment of Service tax under notification Nos. 17/2011 ST dt. 01-03-2011, 40/2012 ST dt.20-06-2012 and 12/2013St. dt. 01-07-2013 for non-submission of proper documents such as Form A1 & A2 for the services provided in SEZ locations for the period 2011-12, 2012-13 & 2013-14 and on EGMM grant received from Govt. of Andhra Pradesh for imparting training and providing employment opportunities under Rajiv Yuva Kiranalu program.Pursuant to an enquiry in relation to the same, the Additional Commissioner Mr. Prasad Adelli, Office of the Commisioner of customs, Excise & Service Tax Department Hyderabad IV Commissionerate passed an order dated 18-03-2016 determining penalty sum of ₹ 17,06,774. Our Company filed an appeal before the Commissioner of Service Tax (Appeals) before the Commissioner (Appeals)Service Tax. Mr. VB V V T Prasad Naik Office of the Commissioner of Service Tax, provided some relief and pass order under which determine Penalty of ₹ 8,79,426 against the above order of the Assistant Commissioner of Service Tax (Adjudication) Mr. Prasad Adelli and the Commissioner of Service Tax (Appeals) Mr. V B V V T Prasad Naik Office of the Commissioner of Service Tax upassed an order dated 20 June 2017, Aggrieved with the order of commissioner, the Company filed an appeal before the Customs, Central Excise and Service Tax Appellate Tribunal, Hyderabad as on 06-10-2017 and the matter is currently pending.

XII. Outstanding litigation involving our Company, Directors or any other person whose outcome could have a material adverse effect on our Company

Except as disclosed above, there is no outstanding litigation involving our Company, Directors or any other person whose outcome could have a material adverse effect on our Company.

XIII. Material developments since December 31, 2017

Other than as disclosed under section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 188 of this Draft Prospectus, in the opinion of the Board, there has not arisen, since the date of the last balance sheet included in this Draft Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of our assets or our ability to pay our liabilities over the next twelve (12) months.

XIV. Outstanding dues to Creditors

Our Board has, pursuant to its resolution dated February 22, 2018, approved that all other creditors of our Company to whom the amount due by our Company exceeds ₹ 6.38 lakhs, i.e. 5% of trade payables of our Company as of December 31, 2017 as per the Restated Financial Information of our Company shall be considered "material" creditors of our Company.

The outstanding dues owed to small scale undertakings and such other material creditors, separately, giving details of number of cases and amounts for all such dues as on December 31, 2017, is set out below:

Material Creditors	Number of cases	Amount involved (₹ in lakhs)
Small scale undertakings	32	8.35
Other material creditors	5	83.19

The details pertaining to outstanding dues towards our creditors are available on the website of our Company at www.kapstonfm.com. It is clarified that such details available on our website do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.kapstonfm.com, would be doing so at their own risk.

GOVERNMENT AND OTHER APPROVALS

Our Company have received the necessary consents, licenses, permissions and approvals from the Central and State Governments and various governmental agencies/ regulatory authorities' / certification bodies required to undertake this Issue and for our present business and except as mentioned below, no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Offer or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board, pursuant to its resolution dated February 21, 2018 authorized the Offer subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013;
- b. The shareholders of our Company have, pursuant to their resolution passed at the extra ordinary general meeting of our Company held on February 22, 2018 under Section 62(1)(c) of the Companies Act, 2013, authorized the Offer and the Promoter Selling Shareholders have given their consent via letter dated February 21, 2018;
- c. Our Board approved this Draft Prospectus pursuant to its resolution dated March 5, 2018;
- d. We have received in-principle approval from the stock exchange for the listing of our Equity Shares pursuant to letter dated [●] bearing reference no. [●].
- e. NSDL/CDSL ISIN No.: INE542Z01010

II. Approvals pertaining to Incorporation, name and constitution of our Company

- a. Certificate of Incorporation dated January 31, 2009 issued by Assistant Registrar of Companies, Andhra Pradesh ("RoC") in the name of "Kapston Facilities Management Private Limited".
- b. Fresh Certificate of Incorporation dated January 29, 2018 issued by RoC, Hyderabad pursuant to conversion of our Company to public limited in the name of "Kapston Facilities Management Limited".
- c. Corporate Identity Number (CIN): U15400TG2009PLC062658

III. Business Approvals

a. Licenses under the Private Security Agencies (Regulation) Act, 2005

The PSARA is the principal legislation for the regulation of private security agencies in India (excluding Jammu & Kashmir). To provide private security services in India, a PSARA Approval is required to be obtained from the relevant Competent Authorities. In terms of this legislation, private security services include provision of services such as: (i) protection or guarding of any person and/or their property; (ii) deployment of armed guards along with armoured car. Our Company provides private security services in India and deploys, inter alia, security guards, security officers and armed guards at our customer premises across India.

Our Company is required to avail PSARA Approvals to provide such services. A PSARA Approval is valid for a period of five years, unless cancelled earlier. See also “Our Business” and “Key Industry regulations and policies” on pages 99 and 122.

As on the date of this Prospectus, our Company has manned guarding operations in 4 states of India. The Company has valid PSARA approvals for 3 states and Our Company’s applications for grant of PSARA Approval in one state is pending. The following are the PSARA Approvals in the name of the Company from the relevant Controlling Authorities:

S.no.	Description	Authority	Date of Issue	Date of Expiry
1	License to engage in the business of private security agency	Private Security Agency Regulation Act, 2005 (PSARA) and Andhra Pradesh Private Security Agencies (Regulation) Rules, 2008.	November 16, 2016	November 15, 2021
2	License to engage in the business of private security agency.	Private Security Agency Regulation Act, 2005 (PSARA) and Karnataka Private Security Agency Rules, 2008	August 12, 2013	August 11, 2018
3	License to engage in the business of private security agency.	Private Security Agency Regulation Act, 2005 (PSARA) and Andhra Pradesh Private Security Agencies (Regulation) Rules, 2008 (Telangana Adaptation) Order, 2015	January 08, 2016	January 07, 2021

Our Company is in the process of making requisite applications for Licenses under the Private Security Agencies (Regulation) Act, 2005 read with applicable rules of Tamil Nadu to regulatory authority for property taken on rent as branch office for business purpose as on February 2, 2018 in Chennai.

IV. Other Approvals

Our Company requires various approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by us to undertake our business are provided below:

- a. Our Company has obtained Udyog Aadhaar Number TS09E0007899 from Ministry of Micro, Small & Medium Enterprises for providing facilities management services.
- b. Certificate of Partnership as an Approved Training Partner of National Skill Development Corporation (NSDC).
- c. Our Company has obtained Government Purchase Enlistment Certificate from the National Small Industries Corporation Limited vide certificate dated 10 June 2016 whereby our name has been registered as a SSI Unit eligible for participation in the Central Government Store Purchase Programme as per the Single Point Registration Scheme for providing human resource for various services. Our registration number is NSIC/GP/BAL/2016/0021670 and the certificate is valid upto 09 June, 2018.
- d. Registration of the Registered Office (*Kukatpally*) under the Telangana Shops and Establishment Act, 1988.

- e. Registration of the Corporate Office (*Madhapur*) under the Telangana Shops and Establishment Act, 1988.
- f. Registration of the Branch Office (*Visakhapatnam*) under the Andhra Pradesh (Issuance of Integrated Registration and Furnishing of Combined Returns under various Labour Laws by certain Establishments) Acts, 2015.
- g. Registration of the Branch Office (*Bangalore*) under the Karnataka Shops and Commercial Establishments Act, 1961.
- h. Registration of the Branch Office (*Vijaywada*) under the Andhra Pradesh (Issuance of Integrated Registration and Furnishing of Combined Returns under various Labour Laws by certain Establishments) Acts, 2015.

Our Company is in the process of making requisite application to regulatory authority for registration of branch office which in Chennai under The Tamil Nadu Shop & Establishment Act, 1947, which is taken on rent as on February 2, 2018 in Chennai.

V. Tax related approvals

S.no.	Description	Authority	Registration No.	Date of Issue	Date of Expiry
1	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	HYDK04425B	September 15, 2010	Valid until cancelled
2	Permanent Account Number (PAN)	Income Tax Department, Government of India	AADCK5952F	March 02, 2009	Valid Until Cancelled
3	Certificate of Provisional Registration issued under the provisions of Central Goods and Services Tax, 2017	Government of India and Government of Andhra Pradesh	37AADCK5952F1ZF	June 28, 2017	Valid until cancelled
4	Final GST Registration Certificate under the provisions of Central Goods and Services Tax, 2017 and Karnataka Goods and Services Tax Act, 2017	Government of India and Government of Karnataka	29AADCK5952F1ZC	July 02, 2017	Valid until cancelled
5	Final GST Registration Certificate under the provisions of Central Goods Services Tax, 2017 and Telangana Goods and Services Tax Act, 2017	Government of India and Government of Telangana	36AADCK5952F1ZH	July 01, 2017	Valid until cancelled

S.no.	Description	Authority	Registration No.	Date of Issue	Date of Expiry
6	Certificate of Professional Tax Enrolment under the Andhra Pradesh Tax on Profession Trade, Calling and Employment Act, 1987	Commercial Taxes Department, Hyderabad, Profession Tax Officer, Madhapur circle	36709797557	November 24, 2011	Valid until cancelled

Our Company is in the process of making requisite application to regulatory authority for registration of branch office which in Chennai under The Central Goods Services Tax, 2017 and Tamil Nadu Goods and Services Tax Act, 2017, which is taken on rent as on February 2, 2018 in Chennai.

VI. Labour related approvals

- a. The Company has been allotted Code No. SRO/KKP/62222 under the Employees' Provident Funds - Miscellaneous Provisions Act, 1952 by the Employees Provident Fund Organisation under its letter dated March 23, 2009.
- b. The Company has obtained Registration No. 52-31077-101 under the Employee State Insurance Act, 1948.
- c. The Company has obtained Labour License: # AL031/HYD/306/2009.

VII. Intellectual property related approvals

Our Company has made an application dated February 26, 2018, for registration of our logo with the Trade Marks Registry under class 37 and 45 which are pending for approval as on the date of this Draft Prospectus.



OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has, pursuant to its resolution dated February 21, 2018, authorized the Offer, subject to the approval of the Equity Shareholders of our Company under Section 62(1)(c) of the Companies Act and our Equity Shareholders have, pursuant to a resolution dated February 22, 2018 under Section 62(1)(c) of the Companies Act, authorized the Offer.

The Offer for Sale has been authorized by the Promoter Selling Shareholders by their consent letter dated February 21, 2018. The number of Equity Shares offered by each Selling Shareholder is as follows:

Sr No	Name of the Promoter Promoter Selling Shareholders	No. of Equity Shares Offered
1	Srikanth Kodali	10,50,070
2	Radha Krishna Pinnamaneni	1,01,930

The Promoter Selling Shareholders have severally confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered are free from any lien, encumbrance or third party rights.

The Promoter Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

In-principle Listing Approval

Our Company has obtained In- Principle Approval from NSE Emerge by way of its letter dated [●] to use the name of NSE Emerge in this Offer. Document for listing of equity shares on the EMERGE platform of the NSE. National Stock Exchange of India Limited is the Designated Stock Exchange.

Prohibition by SEBI, the RBI or Governmental Authorities

None of our Company, our Promoters, our Promoter Group, our Directors, and persons in control of our Company are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities. Neither our Promoters, nor any of our Directors or persons in control of our Company were or are promoters, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are in any manner associated with the securities market and there is or has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved in as promoters or directors.

Neither our Company, nor our Promoters, nor our Directors, nor the relatives (as per the Companies Act) of our Promoters, are or have been detained as wilful defaulters by the RBI or any other governmental authorities.

Eligibility for the Offer

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Offer is an initial public offer in terms of the SEBI (ICDR) Regulations.

This Offer is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, whereby, an issuer whose post offer face value capital does not exceed ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**"), in this case being the SME Platform of NSE Emerge.

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this Offer has been hundred percent underwritten and that the Lead Manager to the Offer have underwritten more than 15% of the total Offer Size. For further details pertaining to the said underwriting please refer to section titled "General Information – Underwriting" beginning on page 49 of this Draft Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to fifty, otherwise, the entire application money will be refunded 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 interest as prescribed under SEBI ICDR Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this offer. For further details of the arrangement of Market Making, please see "General Information- Details of the Market Making Arrangements for this Offer" on page 49 of this Draft Prospectus. We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.
- e) The Company has a record of three (3) years and positive cash accruals (earnings before depreciation and tax) from operations for at least two (2) financial years preceding the application and the net worth of the Company is positive.
- f) As on the date of this Draft Prospectus, our Company has a paid-up capital of ₹754.29 lakhs and the post offer capital of the company (face value) shall not be more than ₹2500 Lakhs.
- g) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- h) There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- i) There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to the Stock Exchange or listing on the SME segment.
- j) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with CDSL and NSDL.
- n) We have a website: www.kapstonfm.com

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, BEING CKP FINANCIAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:

WE, THE LEAD MANAGER TO THE OFFER, STATE AND CONFIRM AS FOLLOWS:

- (1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT PROSPECTUS PERTAINING TO THE SAID OFFER.
- (2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - (A) THE DRAFT PROSPECTUS FILED WITH THE EXCHANGE IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (C) THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

- (3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID.
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE
- (5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE EXCHANGE TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
- (6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS / PROSPECTUS.
- (7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE
- (8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE OBJECTS LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION
- (9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.

- (10) WE CERTIFY THAT ALLSHARES SHALL BE ISSUED IN DEMATERIALISED FORM IN COMPLIANCE WITH SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER
- (11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- (12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
- (a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE (1) DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND
- (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
- (13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER – NOTED FOR COMPLIANCE
- (14) WE ENCLOSURE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
- (15) WE ENCLOSURE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
- (16) WE ENCLOSURE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO IS RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH THE CIRCULAR DATED OCTOBER 30, 2015.
- (17) WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY OF THIS DRAFT PROSPECTUS AS CERTIFIED BY M/S. NSVR AND ASSOCIATES, LLP, CHARTERED ACCOUNTANTS, FIRM REGISTRATION NUMBER 008801S BY WAY OF ITS CERTIFICATE DATED FEBRUARY 22, 2018.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS TO BE GIVEN BY MERCHANT BANKER
IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT
REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE OFFER UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS OFFER SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-OFFER ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE OFFER HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER. –NOTED FOR COMPLIANCE
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS. – NOT APPLICABLE
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE. –NOTED FOR COMPLIANCE

THE FILING OF THIS DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY AND ANY PERSON WHO HAS AUTHORISED THE OFFER FROM ANY LIABILITIES UNDER SECTION 34, SECTION 35, SECTION 36 AND SECTION 38 (1) OF COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 33 of the Companies Act, 2013.

Disclaimer clauses from our Company, the Promoter Selling Shareholders, our Directors and the Lead Manager

Our Company, the Promoter Selling Shareholders, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at our Company's instance. It is clarified that the Promoter Selling Shareholders, its directors, affiliates, associates, and officers accept no responsibility for any statements made other than those

specifically made by the Promoter Selling Shareholders in relation to such Promoter Selling Shareholders and the Offered Shares. And anyone placing reliance on any other source of information, including our Company's website www.kapstonfm.com would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the Lead Manager, the Promoter Selling Shareholders and our Company dated March 3, 2018 and the Underwriting Agreement dated [●], entered into among the Underwriters, the Promoter Selling Shareholders and our Company and the Market Making Agreement dated [●], entered into among the Market Maker, The Lead Manager and our Company.

All information shall be made available by our Company, the Promoter Selling Shareholders 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.

Neither our Company nor the Promoter Selling Shareholders shall be liable for any failure in uploading the Applications due to faults in any software/ hardware system or otherwise.

Note:

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders, 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 issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoter Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, the Promoter Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer with respect to jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract within the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts registered under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, NBFC-SIs, State Industrial Development Corporations, National Investment Fund permitted insurance companies, permitted provident fund and pension funds, insurance funds set up and managed by the army and navy of the Union of India and insurance funds set up and managed by the Department of Posts, India) and to FPIs, FIIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Draft Prospectus does not, however, constitute an invitation to purchase 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 the Offer will be subject to the jurisdiction of appropriate court(s) in Hyderabad only.

Pursuant to Press Note 5 issued by the DIPP, subject to compliance with PSARA, a private security agency is permitted to have FDI up to 74% wherein FDI up to 49% is permitted under the automatic route and beyond 49% and up to 74% is permitted under the government route. While Press Note 5 was issued in June 2016, corresponding amendments in the permissible FDI limits for private security companies have not been made in Schedule I of the FEMA Security Regulations (which set forth terms, conditions, limits and routes of foreign investment applicable to Indian companies) till date. In particular, while the FEMA Security Regulations were amended in December 2016 to conform to the revised limits for most other sectors under Press Note 5, amendments to FDI limits for private security companies under Press Note 5 have not been enacted. In the absence of a formal amendment to the FEMA Security Regulations, our Company does not propose to raise any foreign capital in the Offer through the FDI route.

In accordance with the FDI Policy and Press Note 8 issued by the DIPP, participation by Non-Residents in the Offer is restricted to participation by (i) FPIs through the portfolio investment scheme under Schedule 2A of the FEMA Security Regulations in the Offer, subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company; and (ii) Eligible NRIs under Schedule 4 of the FEMA Security Regulations.

The Company shall when necessary/ at its discretion, by a resolution of the its board and a resolution of its shareholders shall increase the aggregate limits of its shareholding by FPIs (and erstwhile Foreign Institutional Investors) to 49%, and of NRIs (on a repatriation basis, for post-listing liquidity) to 24% of its paid-up Equity Share capital. We have intimated the increase of these limits to the RBI, as required under the FEMA Security Regulations and the FDI Circular and the RBI has notified the increase of these limits pursuant to a press release on April 18, 2017.

This Draft Prospectus does not constitute an offer to sell or an invitation to subscribe 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 Prospectus comes is required to inform him or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby 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 and the Promoter Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Prospectus as "U.S. QIBs" pursuant to the private placement exemption set out in Section 4(a)(2) of the Securities Act; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in offshore transactions in reliance on Regulation S under 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.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Offer will be NSE Emerge.

Disclaimer Clause of The National Stock Exchange of India Limited.

As required, a copy of this Draft Prospectus has been submitted to NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to the RoC filing.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Filing

The Draft Prospectus shall not be filed with SEBI, nor will SEBI offer any observation on the offer document in terms of Regulation 106 (O) (1). However, a copy of the Prospectus shall be filed with SEBI at Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Prospectus, along with the documents required to be filed under Section 26 and Section 30 of the Companies Act, 2013 would be delivered for registration to the office of the Registrar of Companies, Hyderabad, Telangana, located at 2nd Floor, CPWD Building Kendriya Sadan, Hyderabad, Telangana, India-500195.

Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining In-Principle approval of the SME Platform of NSE. However, application shall be made to SME Platform of NSE for obtaining permission for listing of the Equity Shares being offered and sold in the Offer on its SME Platform after the allotment in the Offer. The National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE Emerge, our Company and the Promoter Selling Shareholders shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Offer Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum

on application money, as prescribed under section 40 of the Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of NSE mentioned above are taken within six (6) Working Days of the Offer Closing Date.

Our Company has obtained In- Principle Approval from NSE Emerge by way of letter dated [●] to use the name of NSE Emerge in the Offer document for listing of equity shares on EMERGE Platform of NSE (The National Stock Exchange of India Limited).

ANNEXURE TO THE SEBI DISCLAIMER CLAUSE - POINT NO. 16

The price information of past issues handled by the Lead Manager is as follows:

1. CKP Financial Services Private Limited

The Lead Manager has not handled any public issues in the past and this is the first issue managed by the Lead Manager. Hence details regarding the price information and the track record of the past issues handled by Lead Manager as specified in circular reference CIR/CIF/DIL/7/2015 dated October 30, 2015 issued by SEBI, is not applicable to CKP Financial Services Private Limited.

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer to the website of the Lead Manager as set forth in the table below:

No.	Name of the LEAD MANAGER	Website
	CKP Financial Services Private Limited	NA*

**This being the second issue managed by CKP, details regarding the track record of the past issues handled by Lead Manager is not applicable to CKP Financial Services Private Limited.*

Impersonation

Attention of the Bidder/ investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

"Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term of not less than six (6) months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three (3) years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount.

Consents

Consents in writing of (a) our Directors, the Promoters, the Promoter Selling Shareholders, the Chief Financial Officer, the Company Secretary and Compliance Officer, the Statutory & Peer Reviewed Auditors, the Bankers to our Company, the Bankers to the Offer and Refund Banker to the Offer and (b) the Lead Manager, Underwriter, Market Maker, Legal Advisor to the Offer and the Registrar to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Prospectus with the RoC and such consents shall not be withdrawn up to the time of delivery of the Prospectus with the RoC.

Our Company has received written consent from, M/s. NSVR and Associates, Chartered Accountants, our Peer Reviewed Auditors, to include its name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Draft Prospectus and as "expert" as defined under Section 2(38) of the Companies Act 2013 in respect of the reports of the Auditor on the Restated Financial Statements dated February 22, 2018 and the Statement of Special Tax Benefits dated February 22, 2018 included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Expert Opinion

Except for the "Independent Auditor's report on the Restated Financial Statements" and the "Statement of Special Tax Benefits" included in this Draft Prospectus, on pages 156 and 79, respectively, our Company has not obtained any expert opinion.

Offer Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, auditors' fees, printing and distribution expenses, advertisement expenses, marketing expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated at ₹ [●] Lakhs out of which the Company's portion is estimated at ₹ [●] Lakhs.

(₹ in Lakhs)

Nature of Expenses	Total Offer Expenses including portion of Expenses of Offer for sale shares	Company's Portion of Expenses	Company's Expenses (% of total Issue Expenses)	Expenses (% of Issue Size)
Payment to Merchant Banker, Legal Advisors including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Market Makers, Bankers etc.	[●]	[●]	[●]	[●]
Regulatory Fees & Other Expenses	[●]	[●]	[●]	[●]
Underwriting, Marketing expenses, Selling Commission and other expenses	[●]	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]	[●]

Fees, Brokerage and Selling Commission

The total fees payable to the Lead Manager, and reimbursement of their out of pocket expenses, will be as stated in the (i) Offer Agreement dated March 3, 2018, (ii) Market Making Agreement dated [●], (iii) Underwriting Agreement dated [●], copies of which shall be available for inspection at our Corporate Office, from 10.00 am to 4.00 p.m. on Working Days from the date of filing the Prospectus until the Offer Closing Date.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer, including fees for processing of Application Forms, data entry, printing of Allotment Advice, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the agreement dated [●] signed among our Company and the Registrar to the Offer, a copy of which shall be made available for inspection at our Corporate Office.

Particulars regarding Public or Rights Issues during the last Five (5) Years

There have been no public or rights issues undertaken by our Company during the five (5) years immediately preceding the date of this Draft Prospectus and our Company is an unlisted company in terms of the SEBI ICDR Regulations and this Offer is an initial public offering in terms of the SEBI ICDR Regulations.

Commission or Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares, since the incorporation of our Company.

Previous Issues Otherwise than for Cash

Except as disclosed under section titled "Capital Structure" beginning on page 57 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Capital Issues in the Preceding three (3) Years

Except as disclosed under section titled "Capital Structure" beginning on page 57 of this Draft Prospectus, our Company has not made any capital issues during the three (3) years immediately preceding the date of this Draft Prospectus.

Performance vis-à-vis Objects

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Offer is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Therefore, disclosure regarding promise versus performance is not applicable to us. Our Company has not undertaken any public or rights issue in the ten (10) years immediately preceding the date of this Draft Prospectus.

Outstanding Debentures, Bonds or Redeemable Preference Shares

Our Company does not have any outstanding debentures, bonds or redeemable preference shares, as on the date of this Draft Prospectus.

Partly Paid-Up Shares

As on the date of this Draft Prospectus, there are no partly paid-up Equity Shares of our Company.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances by our Company

The agreement dated [●] between the Registrar to the Offer and our Company, provides for retention of records with the Registrar to the Offer for a minimum period of three (3) years from the date of listing and commencement of trading of the Equity Shares on the Stock exchange, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors may contact the Lead Manager for any complaint pertaining to the Offer. All grievances relating to the non-ASBA process must be addressed to the Registrar to the Offer quoting the full name of the sole or first Bidder/ investor, Bid-cum-Application Form number, the Bidder/ investors' DP ID, Client ID, PAN, address of the Bidder/ investor, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the Registered Broker where the Bid was submitted and cheque or draft number and issuing bank thereof. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSB if the Bid was submitted at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Broker Centres, as the case may be, quoting the full name of the sole or first Bidder/ investor, Bid-cum-Application Form number, Bidder/ investors' DP ID, Client ID, PAN, address of the Bidder/ investor, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the Designated Branch or the Registered Broker, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Further, with respect to the Application Forms submitted with the Registered Broker, the investor shall also enclose the acknowledgement from the Registered Broker in addition to the documents/information mentioned hereinabove.

Disposal of Investor Grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven (7) days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Amreen Gulnaaz, Company Secretary, as the Compliance Officer and she may be contacted in case of any pre-offer or post-offer related problems, at the address set forth hereunder.

Kapston Facilities Management Limited
Plot No. 287, MIG-2, IX Phase KPHB,
Kukatpally, Hyderabad- 500072, Telangana
Telephone: +91 40 48778241/42
CIN: U15400TG2009PLC062658
Website: www.kapstonfm.com
Email id: cs@kapstonfm.com

Further, our Board has constituted a Stakeholders' Relationship Committee comprising our Directors, which is responsible for redressal of grievances of the security holders of our Company. For further details, please refer to section titled "Our Management" beginning on page 134 of this Draft Prospectus.

We do not have any listed Group Companies as on the date of this Draft Prospectus.

Changes in Auditors

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

Name of Auditor	Date of Change	Reason
P. Samba Murthy And Co, Chartered Accountants	27/09/2014	Auditor appointed in the AGM for a term of 5 years.
NSVR and Associates LLP, Chartered Accountants	29/01/2018	Auditor appointed in case of casual vacancy.

Capitalization of Reserves or Profits

Except as provided under the section titled "Capital Structure" beginning on page 57 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the five (5) years immediately preceding the date of this Draft Prospectus.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

Servicing Behavior

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SECTION VII: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued pursuant to the Offer are subject to the provisions of the Companies Act, the SEBI Regulations, the SCRA, the SCRR, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Application Form, the Allocation Advice, the Revision Form, the CAN, the Listing Agreement to be entered into with the Stock Exchange (the —SEBI Listing Regulations) 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 Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI and/or any other authorities while granting its approval for the Offer.

Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this Offer shall use only Applications Supported by Blocked Amount (ASBA) facility for making payment.

Authority for the Present Offer

The Offer has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on February 21, 2018 and was approved by the Shareholders by passing the Special Resolution at the Extra Ordinary General Meeting held on February 22, 2018 in accordance with the provisions of Section 62(1)(C) of the Companies Act 2013.

The Offer for sale has been authorized by the Selling Shareholders by their consent letter dated February 21, 2018 as follows:

Sr No.	Name of the Selling Shareholder	No. of Equity Shares Offered
1	Mr. Srikanth Kodali	10,50,070
2	Mr. Radha Krishna Pinnamaneni	1,01,930
Total		11,52,000

The Selling Shareholders have confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owner of the Equity Shares being offered by them under the Offer for Sale.

Offer for Sale

The Offer comprises of a Fresh Issue and an Offer for Sale by the Selling Shareholders. The fees and expenses relating to the Offer shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *paripassu* in all respects with the existing Equity Shares of our Company including rights in respect of the dividend. The Allotees in receipt of Allotment of Equity Shares under this Offer will be entitled to dividends, voting rights and other corporate benefits, if any, declared by our Company after the date of Allotment. For further information, please refer to the section – “*Main Provisions of the Articles of Association*” on page 275 of this Draft Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our shareholders in accordance with the provisions of the Companies Act, our Articles of Association and the provisions of the SEBI Listing Regulations and any other rules regulations and guidelines issued by the Government of India in connection thereto 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.

For further details, please refer to section titled “*Dividend Policy*” and “*Main Provisions of Articles of Association*” beginning on pages 155 and 275 respectively of this Draft Prospectus.

Face Value and Offer Price

The face value of the Equity Shares is ₹10 each and the Offer Price is ₹ 92 per Equity Share.

The Offer Price is determined by our Company and the Selling Shareholders in consultation with the LM and is justified under the Section titled "Basis for Offer Price" beginning on page no. 76 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with the SEBI Regulations

Our Company shall comply with all disclosure and accounting norms, as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to the applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy; in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable law, including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of SEBI Listing Regulations and our Company's Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/sub-division/cancellation, please refer to the section – “*Main Provisions of the Articles of Association*” on page 275 of this Draft Prospectus.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Minimum Number of Allottees

The minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies collected shall be refunded within 6 Working days of closure of offer.

Minimum Application Value, Market Lot and Trading Lot

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of our Equity Shares shall only be in dematerialised form for all investors. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated [●], amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated [●], amongst CSDL, our Company and the Registrar to the Offer.

Since trading of our Equity Shares is in dematerialised form, the trading will happen in the minimum contract size of 1,200 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE from time to time by giving prior notice to investors at large.

Allotment in this Offer will be only in electronic form in multiples of 1,200 Equity Shares subject to a minimum Allotment of 1,200 Equity Shares. For details of Allotment, please refer to the section – “*Offer Procedure*” on page 233 of this Draft Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Hyderabad, India.

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 or to, or for the account or benefit of, “U.S. persons” (*as defined in Regulation S*), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S 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 any 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.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first Applicant, with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. 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 the holder's death during 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 Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, will, on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies 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 Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant will prevail. If Applicants want to change their nomination, they are advised to inform their respective Depository Participant.

Offer Programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Offer Opening date	[●]
Offer Closing date	[●]
Finalization of basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment//Refunds/Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allotees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the LEAD MANAGER. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within Six (6) Working Days of the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a. m. and 5.00 p. m. (IST)** during the Offer Period. On the Offer Closing Date, the Applications and any revision to the same shall be accepted **only between 10.00 a. m. and 3.00 p. m. (IST)** or such extended time as permitted by the Stock exchange, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the LEAD MANAGER to the Stock

exchange. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Offer Closing Date, the Applicants are advised to submit their Applications one day prior to the Offer Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Offer Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Offer Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Offer. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Offer Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask for the rectified data.

Minimum Subscription

In accordance with Regulation 106 P (1) of the SEBI ICDR Regulations, our Offer shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Offer through the Prospectus and shall not be restricted to the minimum subscription level.

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 (thirty) days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue within the Offer Period; and/or (ii) a subscription in the Offer equivalent to the minimum number of securities as specified under Rule 19(2)(b)(ii) of the SCRR, including devolution of Underwriters, if any within 60 (sixty) days of from the date of closure of the issue, our Company shall refund the entire subscription amount received, within period as prescribed under Regulation 14 of the SEBI ICDR Regulations. If there is a delay beyond eight days from the date of closure of the issue, the prescribed period, our Company shall pay interest as prescribed under Section 39 read with Rule 11 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013.

Further, in accordance with Regulation 106R of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 50.

Further, in accordance with Regulation 106Q of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Migration to Main Board

Our Company may migrate to the Main Board of NSE from the SME Platform on a later date subject to the following:

- If the paid up capital of our Company is likely to increase above ₹25 Crores by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders against the proposal and for which our Company has obtained in-principal approval from the Main Board), our Company shall apply to NSE for listing of its 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 Crores but below ₹25 Crores, our Company may still apply for migration to the Main Board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal

Market Making

The Equity Shares offered through this Offer are proposed to be listed on the SME platform of NSE (NSE EMERGE), wherein the LM shall ensure compulsory market making through the registered Market Makers of the SME Exchange for a minimum period of three (3) years or such other time as may be prescribed by the Stock Exchange, from the date of listing of Equity Shares issued through the Offer Document on the EMERGE Platform of NSE. For further details of the market making arrangement, please refer to the section – “*General Information*” on page 49 of this 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 making process taking into consideration the Offer Size in the following manner:

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

Further, the Market Maker shall give Two (2) way quotes till it reaches the upper limit threshold; thereafter it has the option 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.

Arrangement for disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 1,200 Equity Shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE EMERGE.

Restriction on transfer of shares

Except for lock-in of the pre- Offer Equity Shares and Promoter minimum contribution in the Offer as detailed in- “*Capital Structure*” on page 57 of this Draft Prospectus and except as provided in the Articles, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/

splitting except as provided in our Articles. For more information, please refer to the section –“*Main Provisions of our Articles of Association*” on page 275 of this Draft Prospectus.

Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FPIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extant policy of the Government of India, OCBs cannot participate in this Offer.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian Company in a public issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (**“FDI”**) Policy and the non-resident shareholding is within the sectorial limits under the FDI Policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer of 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.

Withdrawal of the Offer

Our Company, in consultation with the LM, reserves the right not to proceed with the Offer any time after the Offer Opening Date but before the Allotment of Equity Shares. In such an event, our Company would issue a public notice in the newspapers, in which the pre- Offer advertisements were published, within two (2) days of the offer closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The LM, through the Registrar to the Offer, shall notify the SCSBs to unblock the ASBA Account within one (1) working Day from the date 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 Offer 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 and the Selling Shareholders withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an IPO, our Company shall file a fresh Draft Offer Prospectus.

Issue of Equity Shares in dematerialised form in the Offer

In accordance with the SEBI ICDR Regulations, every company making public offer shall issue and allot securities to successful applicants in dematerialized form only. Applicants shall not have an option of allotment of Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialised segment of the SME Exchange. Allotees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

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- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre- Offer 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.

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 LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM 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 and regulations.

OFFER STRUCTURE

This Offer is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, a Company whose post Issue/offer face value capital does not exceed more than ten crore rupees, shall issue/offer shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the NSE Emerge Platform (SME Platform of NSE). For further details regarding the salient features and terms of such this Offer, please see the section titled "*Terms of the Offer*" and "*Offer Procedure*" beginning on page nos. 222 and 233 respectively, of this Draft Prospectus.

The present Offer of 23,04,000 Equity Shares of ₹10 each, at a price of ₹ 92 per Equity Share (including a premium of ₹82 per Equity Share) for cash aggregating to 2119.68 lakhs (the Offer), of which 11,52,000 Equity Shares of ₹10 each will be reserved for subscription by Market Maker (Market Maker Reservation Portion), is being made in terms of Chapter XB of the SEBI ICDR Regulations. The Offer less the Market Maker Reservation Portion i.e. Offer of 1,17,600 Equity Shares of ₹ 10 each is hereinafter referred to as the Net Offer. The Offer and the Net Offer will constitute 26.50 % and 25.15 %, respectively of the post Offer paid up Equity Share capital of our Company.

The Offer is being made through the Fixed Price Process:

Particulars	Net Offer to Public*	Market Maker Reservation Portion
Number of Equity Shares available for	21,86,400 Equity Shares	1,17,600 Equity Shares
Percentage of Offer Size available for	94.90 % of the Offer Size	5.10 % of the Offer Size
Basis of allocation/allotment, if respective category is oversubscribed	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 the section titled " <i>Offer Procedure</i> " beginning on page 233 of this Draft Prospectus.	Firm allotment
Minimum Application Size	<u>For QIB and NII:</u> Such number of Equity Shares in multiples of 1200 Equity Shares such that the Application Value exceeds ₹2,00,000/- <u>For Retail Individual:</u> 1200 Equity Shares	1,17,600 Equity Shares
Maximum Application Size	<u>For QIB and NII:</u> The maximum application size is the Net Offer to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable <u>For Retail Individual:</u> Such number of Equity Shares in multiples of 1200 Equity Shares such that the Application Value does not exceed ₹ 2,00,000/-	1,17,600 Equity Shares

Particulars	Net Offer to Public*	Market Maker Reservation Portion
Mode of Application	All applicants shall make the application (Online or Physical) through ASBA Process.	Through ASBA process only
Mode of allotment	Compulsorily in dematerialised Form.	Compulsorily in dematerialised Form
Trading Lot	1200 Equity Shares.	1200 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations.
Terms of Payment	The entire application amount will be payable at the time of submission of the application form.	
Application lot size	1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter.	

1) 50 % of the Equity Share offered are reserved for allocation to Applicants below or equal to ₹ 2.00 lakhs and the balance for allocation to applicants whose value is above ₹ 2.00 lakhs.

2) In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.

3) Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Offer.

4) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/ platform, as under:

Price Band (₹)	Lot Size (Number of Shares)
Upto 14	10,000
More than 14 upto 18	8,000
More than 18 upto 25	6,000
More than 25 upto 35	4,000
More than 35 upto 50	3,000
More than 50 upto 70	2,000
More than 70 upto 90	1,600
More than 90 upto 120	1,200
More than 120 upto 150	1,000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300

Price Band (₹)	Lot Size (Number of Shares)
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Offer in consultation with LM, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

The lot size shall not be reduced by the Stock Exchange to below the initial lot size if the trading price is below the IPO issue price. The Stock Exchange can review the lot size once in every 6 months / wherever warranted, by giving an advance notice of at least one month to the market. However, as far as possible, the Stock Exchange shall ensure that odd lots are not created. In case of oversubscription, if the option to retain ten percent of the Net Offer to public for the purpose of making allotment in minimum lots is exercised, then it shall be ensured by the Issuer/Stock Exchange/ Lead Manager that the post issue paid up capital of the Issuer does not go beyond ₹ 2,500 lacs

Withdrawal of the Offer

Our Company, in consultation with the LM, reserves the right not to proceed with the Offer any time after the Offer Opening Date but before the Allotment of Equity Shares. In such an event, our Company would issue a public notice in the newspapers, in which the pre- Offer advertisements were published, within two (2) days of the offer closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The LM, through the Registrar to the Offer, shall notify the SCSBs to unblock the ASBA Account within one (1) working Day from the date 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 Offer 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 and the Selling Shareholders withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an IPO, our Company shall file a fresh Draft Offer Prospectus.

Offer Programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Offer Opening date	[●]
Offer Closing date	[●]
Finalization of basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment//Refunds/Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

Applications and revisions to the same will be accepted between 10:00 a.m. and 5:00 p.m (Indian Standard Time) during the Offer period at the Application Centers mentioned in the Application Form or at the Designated Bank Branches except that on the Offer Closing Date applications will be accepted only between 10:00 a.m. and 3:00p.m (Indian Standard Time). Applications will be accepted only on working days i.e all trading days of stock exchange excluding Sundays and Bank holidays.

OFFER PROCEDURE

All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock exchange and the Lead Manager before opening of Offer. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, certain changes would be applicable to the offer procedure for initial public offerings, including making the ASBA process mandatory for all investors (except for Anchor Investors) and allowing registrar, share transfer agents, depository participants and stock brokers to accept application forms. These changes are applicable for public offer which open on or after January 1, 2016. In the event that the Offer Opening date for this Offer is on or after January 1, 2016, we will have to make appropriate changes to the “Issue procedure” section and other sections of this Draft Prospectus, prior to filing of the Prospectus with the RoC.

Our Company, the Selling Shareholders and the LM do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus. This section applies to all the Applicants.

PART A

The Offer is being made in compliance with the provisions of Reg. 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Offer to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Offer Price.

Subject to the valid Applications being received at or above the Offer Price, allocation to all categories in the Net Offer, 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 spillover from any other category or a combination of categories at the discretion of our Company in consultation with the LM 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 dematerialized form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, 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 exchange.

Application Form

Copies of the Application Form and the abridged prospectus will be available at the offices of the LM, the Designated Intermediaries, and Corporate 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), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Offer Opening Date.

All Applicants shall mandatorily participate in the Offer only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of application form for various categories is as follows:

Category	Colour of application form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FIIs, their sub-accounts (other than Sub-accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis (ASBA)	Blue

*excluding electronic Application Form

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Forms to respective SCSBs where the Applicant has a bank account and shall not submit it to any non-SCSB Bank.

Who can apply?

In addition to the category of Applicants set forth under- General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs 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 (NIIs) category;
- Scientific and/ or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other person eligible to Bid in the Issue under applicable laws.

Applications not to be made by

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Overseas Corporate Bodies

The information below is given for the benefit of the applicants. Our Company, Selling Shareholders and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company, Selling Shareholders and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does

not exceed the limits prescribed under laws or regulations.

Maximum and Minimum Application Size

a) 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 Amount payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹ 2,00,000.

b) For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of **1200** Equity Shares thereafter. Application cannot be submitted for more than the Offer Size. However, the maximum application size 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.** The identity of QIBs applying in the Net Offer shall not be made public during the Offer Period. In case of revision in Application, 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.

Information for the Applicants

a) Our Company shall file the Prospectus with the RoC at least three working days before the Offer Opening Date.

b) Our Company shall, after registering the Prospectus with the RoC, make a pre-offer advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-offer advertisement, our Company and the LM shall advertise the Offer Opening Date, the Offer Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.

c) Copies of the Application Form and the abridged prospectus will be available at the offices of the LM, the Designated Intermediaries, and Corporate 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), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Offer Opening Date.

d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).

e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.

f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary 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.

g) The Applicant should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock exchange does not match with the

PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.

Option to subscribe in the Issue

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- 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 specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law

Participation by associates and affiliates of the LM

The lead manager shall not be allowed to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager, if any, may subscribe to Equity Shares in the Offer, either in QIB Portion and Non-Institutional Portion as may be applicable to such Applicants, where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Applications by Mutual Funds

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application 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.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Applications by Eligible NRIs

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Applications by FPI and FIIs

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely "foreign institutional investors" and "qualified foreign investors" will be subsumed under a new category namely "foreign portfolio investors" or "FPIs". RBI on March 13, 2014 amended the FEMA

Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Offer, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the Offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24.00% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Offer are advised to use the Application Form for Non-Residents (blue in color).

Applications by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability Partnerships can participate in the issue only through ASBA Process.

Applications by Insurance Companies

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

a)equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;

b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

c)the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Applications by Provident Funds / Pension Funds

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

Applications by Banking Companies

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Circular dated July 1, 2015 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital.

A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Applications by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other

SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reasons thereof.

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 Applicants are advised to ensure that any single Application from them does not exceed the applicable 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.

Issuance of a Confirmation Note (“CAN”) and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the LM or Registrar to the Offer shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

Payment Instructions

Terms of Payment

The entire Offer price of ₹92 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 Applicant.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Applicants.

Payment Mechanism for applicants

The applicants shall specify the bank account number in their Application Form and the SCSB's 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 the instruction 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 Offer shall give instructions to the SCSB's to

unblock the application money in the relevant bank account within one day of the receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the 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.

Signing of Underwriting Agreement and Filing of Prospectus with RoC

- a. Our Company has entered into an Underwriting agreement dated [•].
- b. A copy of the Prospectus will be filed with the RoC in terms of Section 32 of Companies Act, 2013.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Offer 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. In the pre-Issue advertisement, we shall state the Offer Opening Date and the Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Advertisement regarding Offer Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Offer Opening Date and Offer Closing Date. Any material updates between the date of this Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Allotment Advice

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The LM or the Registrar to the Offer will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Offer.
3. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

General Instructions

Do's:

- 1) Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;

- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- 10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 11) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 12) Ensure that the Demographic Details are updated, true and correct in all respects;
- 13) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 14) Ensure that the category and the investor status is indicated;
- 15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 17) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- 18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 20) Ensure that you have correctly signed the 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;
- 21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 22) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- 4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not submit the Application Forms to any non-SCSB bank or our Company;

- 6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);
- 9) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- 10) Do not submit the General Index Register number instead of the PAN;
- 11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 12) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 13) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 14) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 15) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Communications

All future communications in connection with Applications made in this Offer should be addressed to the Registrar 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 SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar in case of any pre-offer or post-offer related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to ten (10) years (provided that where the fraud involves

public interest, such term shall not be less than three (3) years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount.

Undertaking by our Company

Our Company undertake as follows:

1. That the complaints received in respect of the Offer shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of NSE where the Equity Shares are proposed to be listed within six working days from Offer Closing date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoter's contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Offer after the Offer Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two (2) days of the Offer 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;
8. If our Company withdraw the Offer after the Offer Closing Date, our Company shall be required to file a fresh Draft Prospectus with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

Undertakings by the Selling Shareholders

Each Selling Shareholder severally undertakes that:

1. It shall deposit its Equity Shares offered in the Offer in an escrow account opened with the Registrar to the Offer at least one Working Day prior to the Offer Opening Date;
2. It shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock exchange;
3. It shall take all steps and provide all assistance to our Company and the LM, as may be required for the completion of the necessary formalities for listing and commencement of trading at all the stock exchange where the Equity Shares are proposed to be listed within six (6) Working Days from the Offer Closing Date of the Offer, failing which it shall forthwith repay without interest all monies received from applicants to the extent of the Offered Shares. In case of delay, interest as per applicable law shall be paid by the Selling Shareholder;
4. It shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of the Equity Shares held by it except the Equity Shares being offered in the Offer for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI Regulations;
5. It shall ensure that the Equity Shares being offered by it in the Offer, shall be transferred to the successful

applicant within the time specified under applicable law; and

It shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidder/investors within the time specified under applicable law.

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 shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) 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. 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 LM undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactory.

Equity Shares in Dematerialised Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, our Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated [●] among NSDL, the Company and the Registrar to the Offer;
- b. Agreement dated [●] among CDSL, the Company and the Registrar to the Offer.

Our Company's shares bear ISIN No. INE542Z01010

PART B**GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Applicants should carefully read the entire Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchange, on the website(s) of the LM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Applicants may see “Glossary and Abbreviations”

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs ON NSE EMERGE (SME PLATFORM)**2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and upto twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulations.

2.3 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1, an issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI (ICDR) Regulations, the Companies Act, 1956 and the Companies Act, 2013 (the "***Companies Act***"), The Securities Contracts (Regulation) Rules, 1957 (the "***SCRR***"), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the LMS has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, the LMS has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- (e) The company should have track record of atleast 3 years
- (f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth should be positive
- (g) The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crore.
- (h) The issuer shall mandatorily facilitate trading in demat securities.
- (i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
- (k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer
- (l) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this issue.

Thus, our Company is eligible for the issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds ₹1,000 lakhs but does not exceed ₹2,500 lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of NSE for listing of our Equity Shares.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI (ICDR) Regulations, an Issue can either determine the Issue Price through the Book Building Process ("***Book Built Issue***") or undertake a Fixed Price Issue ("***Fixed Price Issue***"). An Issue may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a Fixed Price Issue) and determine the price at a later date before registering the Prospectus with the RoC.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issue shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five (5) Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one (1) Working Day before the Bid/ Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Applicants should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 Issue Period

The Issue may be kept open for a minimum of three (3) Working Days (for all category of Bidder/ investors/ Applicants) and not more than ten (10) Working Days. Bidder/ investors/ Applicants are advised to refer to the Bid-cum-Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the Prospectus. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Applicants may check the announcements made by the Issuer on the websites of the Stock exchange and the LM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 Migration to Main Board

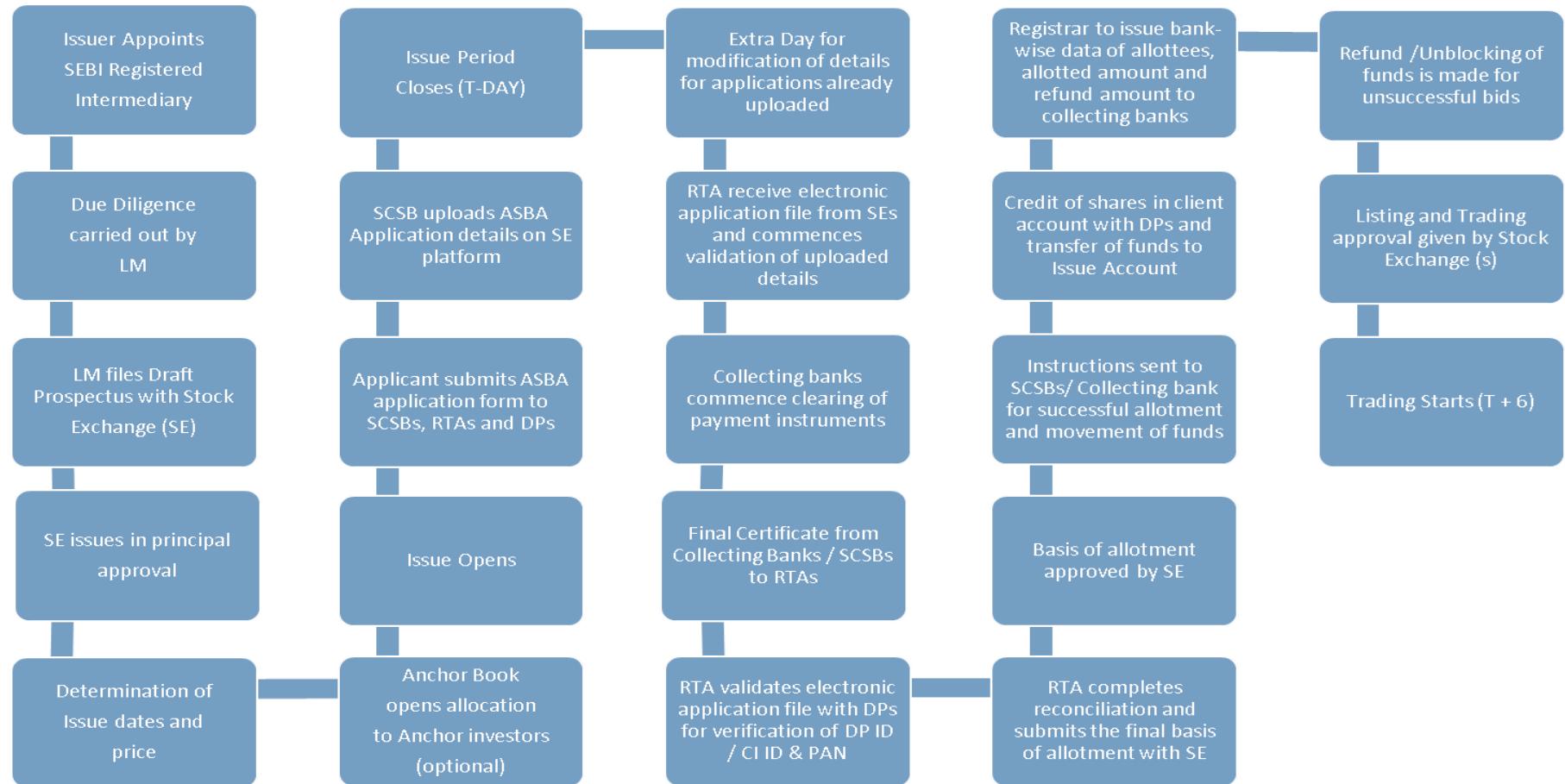
- (a) SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following: Paid up Capital of the Company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principle approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below ₹25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

2.7 Flowchart of Timelines

A flow chart of process flow in Fixed Price and Book Built Issues is as follows:



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN OFFER

Each Bidder/ investor should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidder/ investors, such as NRIs, FPIs and FVCIs may not be allowed to apply to the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/ investors should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder/ investor: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name
3. Mutual Funds registered with SEBI;
4. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws.NRIs other than Eligible NRIs are not eligible to participate in this Offer; 5
5. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
6. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
7. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
8. State Industrial Development Corporations;
9. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
10. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
11. Insurance Companies registered with IRDA;
12. Provident Funds and Pension Funds with minimum corpus of ₹ 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
13. Multilateral and Bilateral Development Financial Institutions;
14. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
15. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
16. Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Offer.

SECTION 4: APPLYING TO THE OFFER

Book Built Issue: Bidder/ investors should only use the specified Bid-cum-Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock exchange.

Bid-cum-Application Forms are available with the members of the Syndicate, Registered Brokers, Designated branches of the SCSBs and at the Corporate office of the Issuer. Electronic Bid-cum-Application Forms will be available on the websites of the Stock exchange at least one (1) day prior to the Bid/ Issue Opening Date. For further details regarding availability of Bid-cum-Application Forms, Bidder/ investors may refer to the RHP/ Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid-cum-Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock exchange. Bid-cum-Application Forms are available with the branches of Collection Banks or Designated Branches of the SCSBs and at the Corporate office of the Issuer. For further details regarding availability of Bid-cum-Application Forms, Applicants may refer to the Prospectus.

Bidder/ investors/ Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid-cum-Application Form for various categories of Bidder/ investors/ Applicants is as follows:

Category	Colour of Bid-cum-Application Form *
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs, FPIs, QFIs or FVCIs, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

* Excluding electronic Bid-cum-Application Form

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidder/ investors/ Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID-CUM-APPLICATION FORM/APPLICATION FORM

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the DRHP and the Bid-cum-Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Bid-cum-Application Form for resident Bidder/ investors and the Bid-cum-Application Form for non- resident Bidder/ investors are reproduced below:

R- Bid-cum-Application Form

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4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER/ APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/ Applicants should note that the name and address fields are compulsory and e-mail and/ or telephone number/mobile number fields are optional. Bidders/ Applicants should note that the contact details mentioned in the Bid-cum-Application Form/ Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/ Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid-cum-Application Form may be used by the Issue, the members of the Syndicate, the Registered Broker and the Registrar to the Offer only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/ Applications:** In the case of joint Bids/ applications, the Bids/ applications should be made in the name of the Bidder/ Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/ Applicant would be required in the Bid-cum-Application Form/ Application Form and such first Bidder/ Applicant would be deemed to have signed on behalf of the joint holders All payments may be made out in favor of the Bidder/ Applicant whose name appears in the Bid-cum-Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder/ Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/ Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six (6) months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three (3) years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount.

- (e) **Nomination Facility to Bidder/ Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/ Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/ first Bidder/ Applicant) provided in the Bid-cum-Application Form/ Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective

of the amount of transaction except for Bids/ Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in Sikkim ("**PAN Exempted Bidders/ Applicants**"). Consequently, all Bidders/ Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their PAN in the Bid-cum-Application Form/ Application Form, irrespective of the Bid/ Application Amount. A Bid-cum-Application Form/ Application Form without PAN, except in case of Exempted Bidders/ Applicants, is liable to be rejected. Bids/ Applications by the Bidders/ Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/ Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid-cum-Application Forms/ Application Forms which provide the General Index Registration (GIR) Number instead of PAN may be rejected.
- (e) Bids/ Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/ APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/ Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid-cum-Application Form/ Application Form. The DP ID and Client ID provided in the Bid-cum-Application Form/ Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid-cum-Application Form/Application Form is liable to be rejected.**
- (b) Bidders/ Applicants should ensure that the beneficiary account provided in the Bid-cum-Application Form/Application Form is active.
- (c) Bidders/ Applicants should note that on the basis of DP ID and Client ID as provided in the Bid-cum-Application Form/ Application Form, the Bidder/ Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/ Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (a) Bidders/ Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the DRHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (c) Minimum Bid Value and Bid Lot: The Issuer in consultation with the LMS may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above ₹1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum

Bid value.

- (d) Allotment: The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the Draft Red Herring Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

(a) For Retail Individual Bidder

The Bid must be for a minimum of Equity Shares. As the Bid Price payable by the Retail Individual Bidders cannot exceed ₹2,00,000, they can make Bid for only minimum size i.e. for 1200 Equity Shares.

(b) For Other Bidders (Non-Institutional Bidders and QIBs):

- i. The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹200,000 and in multiples of 1200 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB cannot withdraw its Bid after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Bid. In case of revision in Bids, the Non Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹2,00,000 for being considered for allocation in the Non Institutional Portion. Bidders are advised to ensure that any single Bid-cum-Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the RHP/Prospectus.
- ii. In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- iii. The price and quantity options submitted by the Bidder in the Bid-cum-Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid-cum-Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid-cum-Application Form and such options are not considered as multiple Bids. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid-cum-Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:
 - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid-cum-Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

- i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
- ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI (ICDR) Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI (ICDR) Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the Prospectus.
- (c) The SEBI (ICDR) Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the DP.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Draft Prospectus for more details.
- (c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid-cum-Application Form and Non-Resident Bid-cum-Application Form.
- (d) Bidders should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD 7: PAYMENT DETAILS

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid-cum-Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the DP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid-cum-Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- (c) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- (d) All Bidders can participate in the Issue only through the ASBA mechanism.
- (e) Please note that, providing bank account details in the space provided in the Bid-cum-Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

4.1.7.1 Payment instructions for Bidders

- a) Bidders may submit the ASBA Form either
 - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid-cum-Application Form, or

- ii. in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid-cum-Application Form. The Bid-cum-Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Bidders should ensure that the Bid-cum-Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bid-cum-Application Forms can be submitted.
- f) Bidders should submit the Bid-cum-Application Form only at the Bidding Centre i.e to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations
- g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid-cum-Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six (6) Working Days of the Bid/Issue Closing Date.
- (d) In the event of withdrawal or rejection of the Bid-cum-Application Form and for unsuccessful Bidders, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six (6) Working Days of the Bid/Issue Closing Date.

4.1.7.2 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder is required to sign the Bid-cum-Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid-cum-Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/ amount mentioned in the Bid-cum-Application Form.
- (d) Bidders must note that Bid-cum-Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid-cum-Application Form.
- (b) All communications in connection with Bid made in the Issue should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Offer.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
 - iii. Bidders may contact the Company Secretary and Compliance Officer or LMS in case of any other complaints in relation to the Issue.
 - iv. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
 - v. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
 - vi. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
 - vii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.
- (c) The following details (as applicable) should be quoted while making any queries:
 - i. Full name of the sole or First Bidder, Bid-cum-Application Form number, Bidder' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
 - ii. name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Draft Prospectus and the Bid-cum-Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise / withdraw their Bid till closure of the Bid/Issue period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

Revised Form – R

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : Contact Details: CIN No.	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN :
		Bid cum Application Form No.
SYNDICATE MEMBER'S STAMP & CODE BROKER/SCSB/DP/RTA STAMP & CODE		
1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr. / Ms. _____ Address _____ Email _____ Tel. No. (with STD code) / Mobile _____		
2. PAN OF SOLE / FIRST BIDDER		
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		
PLEASE CHANGE MY BID		
4. FROM (AS PER LAST BID OR REVISION)		
Bid Options	No. of Equity Shares Bid (Bid must be in multiple of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)
	8 7 6 5 4 3 2 1 3 2 1 1	Bid Price Retail Discount Net Price "Cut-off" (Please tick)
Option 1		
(OR) Option 2		
(OR) Option 3		
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")		
Bid Options	No. of Equity Shares Bid (Bid must be in multiple of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)
	8 7 6 5 4 3 2 1 3 2 1 1	Bid Price Retail Discount Net Price "Cut-off" (Please tick)
Option 1		
(OR) Option 2		
(OR) Option 3		
6. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>		
Additional Amount Paid (₹ in figures)		(₹ in words)
ASBA Bank A/c No. _____		
Bank Name & Branch _____		
<small>I/WE ON BEHALF OF JOINT APPLICANTS, I/WE HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERTAKEN THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED BROKER/DEALER PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GIDI") AND HEREBY AGREE AND CONFIRM THE BIDERS UNDERLYING ASSESSMENT/VIEW. I/WE (ON BEHALF OF JOINT APPLICANTS, I/WE) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID-REVISION FORM GIVEN OVERLEAF.</small>		
7A. SIGNATURE OF SOLE / FIRST BIDDER Date : _____		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) <small>I/WE authorize the SCSE to do all acts as are necessary to make the Application in its name</small> 1) _____ 2) _____ 3) _____
BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)		
TEAR HERE		
LOGO	XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA
DPID / CLID		Bid cum Application Form No.
PAN of Sole / First Bidder		
Additional Amount Paid (₹)		Bank & Branch _____
ASBA Bank A/c No. _____		Stamp & Signature of SCSE Branch _____
Received from Mr./Ms. _____		
Telephone / Mobile _____		Email _____
TEAR HERE		
<small>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</small>		
Stamp & Signature of Broker / SCSE / DP / RTA	Name of Sole / First Bidder _____	Acknowledgement Slip for Bidder _____
ASBA Bank A/c No. _____ Bank & Branch _____	Bid cum Application Form No.	
TEAR HERE		

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION ‘FROM’ AND ‘TO’

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid-cum-Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the DP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3 FIELD 6: PAYMENT DETAILS

- a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid-cum-Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the

number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 SUBMISSION OF REVISION FORM/ BID-CUM-APPLICATION FORM /APPLICATION FORM

4.3.1 Bidders may submit completed Bid-cum -application form / Revision Form in the following manner:

Mode of Bid	Submission of Bid-cum-Application Form
All investors Bids	To the Bid-cum-Application Collecting Intermediaries as mentioned in the Draft Prospectus/ Bid-cum-Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE

5.1 Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only (—ASBA Account). The Application Form is also made available on the websites of the Stock exchange at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

5.2 Grounds For Technical Rejections

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:-

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name 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 person;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than the minimum 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 this Draft Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or — qualified institutional buyers|| as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application 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
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants , Non Institutional Applicants where the Application Amount is in excess of ₹ 200000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by NSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock exchange; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- Details of ASBA Account not provided in the Application form
- From one ASBA Account, more than five applications are made by applicant.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE

This being the Fixed Price Issue this section is not applicable for this Issue

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail

Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Issue for Sale of specified securities). However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For Bids where the proportionate allotment works out to less than 1,200 equity shares the allotment will be made as follows:
 - i. Each successful Bidder shall be allotted 1,200 equity shares; and
 - ii. The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to an Bidder works out to a number that is not a multiple of 1,200 equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of 1,200 equity shares subject to a minimum allotment of 1,200 equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 1,200 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Prospectus.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:
 - i. As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, The balance net Issue of shares to the public shall be made available for allotment to individual bidders other than retail individual investors and
 - ii. other investors, including corporate bodies/ institutions irrespective of number of shares applied for of the net Issue to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE- the Designated Stock Exchange in addition to LMS 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.

7.1 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**
Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock exchange are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON-RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock exchange from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the Draft Prospectus/ Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the Draft Prospectus.

8.2.2 NON-RECEIPT OF MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this Issue document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay

interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allotees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

8.3 MODE OF REFUND

Within six (6) Working Days of the Bid/Issue Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.

8.3.1 MODE OF MAKING REFUNDS

The Registrar to the Offer may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants.
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock exchange.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations.
Anchor Investor Portion	Upto 60% of the QIB Category which may be allocated by the Issuer in consultation with the LM, to Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors.
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue.
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA.
Banker(s) to the Issue/ Public Issue Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [●]
Banker to the Issue Agreement/ Public Issue Bank Agreement	Agreement to be entered into among the Issuer, the Selling Shareholders, the Registrar to the Offer, the Lead Manager(s), the Syndicate Member(s), the Public Issue Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue.
Bid	An indication to make an offer during the Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application.

Term	Description
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date.
Offer Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date.
Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs 1 (one) working day prior to the Offer Closing Date in accordance with the SEBI ICDR Regulations. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount.
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form.
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant.
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, under which this Issue is being made
Broker Centres	Broker centres notified by the Stock exchange, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock exchange.
LM/ Lead Manager	The Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Lead Manager should be construed to mean the Lead Manager or LM.
Business Day	Monday to Friday (except public holidays).
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.

Term	Description
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price.
DP	Depository Participant.
DP ID	Depository Participant's Identification Number.
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited.
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details.
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Public Issue Bank(s) for Anchor Investors from the Public Issue Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Issue.
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer.
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band.
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus.
Equity Shares	Equity shares of the Issuer.
FCNR Account	Foreign Currency Non-Resident Account.
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form.
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/ Fixed Price Process/ Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Issue is being made.

Term	Description
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto.
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FPO	Further public offering.
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000.
IPO	Initial public offering.
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable.
Issuer/ Company	The Issuer proposing the initial public offering/ further public offering as applicable.
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s).
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form.
NECS	National Electronic Clearing Service.
NEFT	National Electronic Fund Transfer.
NRE Account	Non-Resident External Account.
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares.
NRO Account	Non-Resident Ordinary Account.
Net Issue	The Issue less reservation portion.
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ` 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs, QFIs and FVCIs.

Term	Description
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/ Prospectus through an offer for sale by the Selling Shareholder.
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961.
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Lead Manager(s) and advertised, at least five working days in case of an IPO and 1 (one) working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation.
Pricing Date	The date on which the Issuer in consultation with the Lead Manager(s), finalise the Issue Price.
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, 1956 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information.
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date.
Qualified	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet _know your client requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/ combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Portion	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis.
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009.
RTGS	Real Time Gross Settlement.

Term	Description
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least 3 (three) days before the Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus.
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (refunds to Anchor Investors), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer.
Refunds through electronic transfer of funds	Refunds through ASBA, as applicable.
Registered Broker	Stock Brokers registered with the Stock exchange having nationwide terminals, other than the members of the Syndicate.
Registrar to the Offer/RTI	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form.
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations.
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ` 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ` 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s).
RoC	The Registrar of Companies.
RTAs	Registrars to an Issue and Share Transfer Agents.
RTAs/DPs Bidding Centres	RTAs/DPs bidding centres, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with SEBI. The details of such RTAs/DPs bidding centres, along with their names and contact details are available on the websites of the Stock exchange.
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
Self Certified Syndicate Bank(s) or SCBS(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers.

Term	Description
Stock exchange/ SE	The stock exchange as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed.
Syndicate	The Lead Manager(s) and the Syndicate Member.
Syndicate Agreement	The agreement to be entered into among the Issuer and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants), directly submitted to SCSBs).
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus.
Underwriters	The Lead Manager(s) and the Syndicate Member(s).
Underwriting Agreement	The agreement amongst the Issuer and the Underwriters to be entered into on or after the Pricing Date.
Working Day	All days other than 2 nd & 4 th Saturday of the month a Sunday or a public holiday on which commercial banks in Mumbai are open for business, except with reference to announcement of Price Band and Offer Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FEMA and various regulations made thereunder. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ('DIPP') makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also issues the Consolidated Foreign Direct Investment Policy ('FDI Policy') from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India's current FDI Policy issued by the DIPP with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government proposes to update the FDI Policy once every year and therefore, the FDI Policy with effect from August 28, 2017 will be valid until the DIPP issues an updated circular. subject to compliance with PSARA, a private security agency is permitted to have FDI up to 74% wherein FDI up to 49% is permitted under the automatic route and beyond 49% and up to 74% is permitted under the government route. For further details kindly refer the chapter titled 'Key Industry Regulations and Policies' beginning on page 122 of this DP.

RBI has also issued Master Directions- Foreign Investments in India dated January 4, 2018. In terms of the Master Directions, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions.

RBI has issued Master Directions - Reporting under Foreign Exchange Management Act, 1999. The Reserve Bank, therefore, has prescribed various reports and forms under FEMA to be submitted by/ through Authorised Persons/ Authorised Dealer Category – I Banks/ Authorised Banks. The various reports/ forms required to be submitted under FEMA are consolidated under Master Direction-Reporting under Foreign Exchange Management Act, 1999. 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.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ('FDI') Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. 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 Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. The above information is given for the benefit of the Applicants.

Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this DP. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Share capital and variation of rights

Shares under the control of Board	3		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 Board who may issue, allot or otherwise dispose off 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.
Directors may allot shares otherwise than for cash	4		Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
Share Capital and Kinds of Share Capital	5	(1) (2)	The Authorised Share Capital of the Company is as specified in Clause V of Memorandum of Association. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: (a) Equity share capital: (i) with voting rights; and / or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference share capital
Issue of certificate	6	(1)	Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide - (a) one certificate for all his shares without payment of any charges; or (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
Certificate to bear Seal		(2)	Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon
One certificate for shares held jointly		(3)	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.
Option to receive share certificate or hold shares with depository			A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
			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

Issue of new certificate in place of one defaced, lost or destroyed			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 Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.
Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc.			The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
Power to pay commission to any person in connection with the subscription to its securities.	(1)		The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, 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 the Act and the Rules.
Rate of commission in accordance with Rules	(2)		The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
Mode of payment of commission	(3)		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.
Variation of members' rights	11	(1)	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 the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
Provisions as to General meetings to apply <i>mutatis mutandis</i> to each meeting		(2)	To every such separate meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply.
<i>Issue of further shares not to affect rights of existing members</i>	12		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.
Power to issue redeemable preference shares	13		Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
Further issue of share capital	14	(1)	The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to - (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right

			exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (b) employees under any scheme of employees' stock option; or (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
Mode of further issue of shares		(2)	A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

Lien

Company's lien on Shares	15	(1)	The Company shall have a first and paramount lien - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company. Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
Lien to extend to dividends, etc.		(2)	The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
Waiver of lien in case of registration		(3)	Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
As to enforcing lien by sale	16		The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made— (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto because of his death or insolvency or otherwise.
Validity of sale	17	(1)	To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
Purchaser to be registered holder		(2)	The purchaser shall be registered as the holder of the shares comprised in any such transfer.
Validity of Company's receipt		(3)	The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
Purchaser not affected		(4)	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 with reference to the sale.

Application of proceeds of sale	18	(1)	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.
Payment of residual money		(2)	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
Outsider's lien not to affect Company's lien	19		In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc.	20		The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Calls on shares

Board may make calls	21	(1)	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.
Notice of call		(2)	Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
Board may extend time for payment		(3)	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
Revocation or postponement of call		(4)	A call may be revoked or postponed at the discretion of the Board.
Call to take effect from date of resolution	22		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.
Liability of joint holders of shares	23		The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
When interest on call or instalment payable	24	(1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
Board may waive Interest		(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part
Sums deemed to be calls	25	(1)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

Effect of non-payment of sums	(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
Payment in anticipation of calls may carry interest	26	<p>The Board -</p> <p>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.</p>
Instalments on shares to be duly paid	27	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
Calls on shares of same class to be on uniform basis	28	<p>All calls shall be made on a uniform basis on all shares falling under the same class.</p> <p><i>Explanation:</i> Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.</p>
Partial payment not to preclude forfeiture	29	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as here in provided.
Provisions as to calls to apply mutatis mutandis to debentures, etc.	30	The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including Debentures of the Company.
Instrument of transfer to be executed by transferor and transferee	31 (1)	The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
	(2)	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.
Board may refuse to register transfer	32	<p>The Board may, subject to the right of appeal conferred by the Act decline to register -</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) any transfer of shares on which the Company has a lien.</p>
Board may decline to recognise instrument of transfer	33	In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless -
		(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;

		(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.
Transfer of shares when suspended	34	On giving of previous notice of at least seven days or such lesser period in accordance with the Act 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: 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.
Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to debentures, etc.	35	The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Transmission of shares

Title to shares on death of a member	36	(1)	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.
Estate of deceased member liable		(2)	Nothing in clause (1) 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.
Transmission Clause	37	(1)	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 here in after provided, elect, either - (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made.
Board's right unaffected		(2)	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.
Indemnity to the Company		(3)	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
Right to election of holder of share	38	(1)	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.
Manner of testifying election		(2)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
Limitations applicable to notice		(3)	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.
Claimant to be entitled to same advantage	39		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

		<p>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>
Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.	40	<p>The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other Securities including debentures of the Company.</p>

Forfeiture of Shares

If call or instalment not paid notice must be given	41	<p>If a member fails to pay any call, or instalment of a call or any money due in respect of any share, 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 or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.</p>
Form of notice	42	<p>The notice aforesaid shall:</p> <p>(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>
In default of payment of shares to be forfeited	43	<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>
Receipt of part amount or grant of indulgence not to affect forfeiture	44	<p>Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.</p>
Entry of forfeiture in register of members	45	<p>When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.</p>
Effect of forfeiture	46	<p>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.</p>

Forfeited shares may be sold, etc.	47	(1)	1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. Forfeited shares may be sold, etc.
Cancellation of Forfeiture		(2)	At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
Members still liable to pay money owing at the time of forfeiture	48	(1)	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date off or future, were presently payable by him to the Company in respect of the shares.
Member still liable to pay money owing at time of forfeiture and interest		(2)	All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
Ceaser of liability		(3)	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.
Certificate of Forfeiture	49	(1)	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;
Title of purchaser and transferee of forfeited shares		(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
Transferee to be registered as holder		(3)	The transferee shall thereupon be registered as the holder of the share; and
Transferee not affected		(4)	The transferee shall not be bound to see to the application 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, re-allotment or disposal of the share.
Validity of sales	50		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.
Cancellation of share certificate in respect of forfeited shares	51		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.

Surrender of share certificates	52		The Board may, subject to the provisions 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.
Sums deemed to be calls	53		The provisions of these Articles 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
Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.	54		The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
Alteration of capital			
Power to alter share capital	55		<p>Subject to the provisions of the Act, the Company may, by ordinary resolution -</p> <ul style="list-style-type: none"> (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e) 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.
Shares may be converted into stock	56	(a)	<p>Where shares are converted into stock: the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles 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>
Right of stockholders		(b)	<p>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>
		(c)	<p>such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.</p>
Reduction of capital	57		<p>The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —</p> <ul style="list-style-type: none"> (a) its share capital; and/or (b) any capital redemption reserve account; and/or

		(c) any securities premium account; and/or (d) any other reserve in the nature of share capital.
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Joint Holders

Joint-holders	58		Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
Liability of Joint holders		(a)	The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
Death of one or more joint-holders		(b)	On the death of any one or more of 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.
Receipt of one Sufficient		(c)	Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
Delivery of certificate and giving of notice to first named holder		(d)	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 the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
Vote of joint holders		(e)	<p>(i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.</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 joint-holders.</p>
Executors or administrators as joint holders		(f)	The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.
Provisions as to joint holders as to shares to apply <i>mutatis mutandis</i> to debentures,etc.			

Capitalisation of profits

Capitalisation	59	(1)	<p>The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —</p> <p>(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</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p>
Sum how applied		(2)	The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards :

			(A) paying up any amounts for the time being unpaid on any shares held by such members respectively; (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).
		(3)	A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
		(4)	The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
Powers of the Board for capitalisation	60	(1)	Whenever such a resolution as aforesaid shall have been passed, the Board shall - (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and (b) generally do all acts and things required to give effect thereto
Board's power to issue fractional certificate/coupon etc.		(2)	The Board shall have power— (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
Agreement binding on members		(3)	Any agreement made under such authority shall be effective and binding on such members

Buy Back of Shares

Buy Back of Shares	61		Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.
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General meetings

Extraordinary general meeting	62		All general meetings other than annual general meeting shall be called extraordinary general meeting.
Powers of Board to call extraordinary general meeting	63		The Board may, whenever it thinks fit, call an extraordinary general meeting.

Proceedings at general meetings

Presence of Quorum	64	(1)	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.
Business confined to election of		(2)	No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

Chairperson whilst chair vacant			
Quorum for general meeting		(3)	The quorum for a general meeting shall be as provided in the Act.
Chairperson of the meetings	65		The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
Directors to elect a Chairperson	66		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.
Members to elect a Chairperson	67		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, by poll or electronically, choose one of their members to be Chairperson of the meeting.
Casting vote of Chairperson at general meeting	68		On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
Minutes of proceedings of meetings and resolutions passed by postal ballot	69	(1)	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
Certain matters not to be included in Minutes		(2)	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting - (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.
Discretion of Chairperson in relation to Minutes		(3)	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
Minutes to be Evidence		(4)	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
Inspection of minute books of general meeting	70	(1)	The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
Members may obtain copy of minutes	70	(2)	Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above: Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
Powers to arrange	71		The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a

security at meetings			class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.
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Adjournment of meeting

Chairperson may adjourn the meeting	72	(1)	The Chairperson may, suo moto, adjourn the meeting from time to time and from place to place.
Business at adjourned meeting		(2)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
Notice of adjourned meeting		(3)	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.
Notice of adjourned meeting not required		(4)	Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

Entitlement to vote on show of hands and on poll	73		Subject to any rights or restrictions for the time being attached to any class or classes of shares (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
Voting through electronic means	74		A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
Vote of joint holders	75	(1)	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.
Seniority of names		(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
How members <i>non compos mentis</i> and minor may vote	76		A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
Votes in respect of shares of deceased or insolvent members, etc.	77		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 duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
Business may Proceed pending poll	78		Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

Restriction on voting rights	79		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 or in regard to which the Company has exercised any right of lien.
Restriction on exercise of voting rights in other cases to be void	80		A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
Equal rights of members	81		Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Proxy

Member may vote in person or otherwise	82	(1)	Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
Proxies when to be deposited		(2)	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, and in default the instrument of proxy shall not be treated as valid.
Form of proxy	83		An instrument appointing a proxy shall be in the form as prescribed in the Rules.
Proxy to be valid notwithstanding death of the principal	84		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.

Board of Directors

Board of Directors	85		Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 14 (fourteen).
Directors not liable to retire by rotation	86	(1)	The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.
Same individual may be Chairperson and Managing Director/ Chief Executive Officer		(2)	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
Remuneration of directors	87	(1)	The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
Remuneration to require members' consent		(2)	The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.

Travelling and other expenses		(3)	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— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (b) in connection with the business of the Company.
Execution of negotiable Instruments	88		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.
Appointment of additional directors	89	(1)	Subject to the provisions of the Act, 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.
Duration of office of additional director		(2)	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.
Appointment of alternate director	90	(1)	The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
Duration of office of alternate director		(2)	An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
Re-appointment provisions applicable to Original Director		(3)	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
Appointment of director to fill a casual vacancy	91	(1)	If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
Duration of office of Director appointed to fill casual vacancy		(2)	The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

Powers of Board

General powers of the Company vested in Board	92		The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized 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 laws 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 Board which would have been valid if such regulation had not been made
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Proceedings of the Board

When meeting to be convened	93	(1)	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
Who may summon Board meeting		(2)	The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board
Quorum for Board meetings		(3)	The quorum for a Board meeting shall be as provided in the Act.
Participation at Board meetings		(4)	The participation of directors in a meeting of the Board 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.
Questions at Board meeting how decided	94	(1)	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
Casting vote of Chairperson at Board meeting		(2)	In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
Directors not to act when number falls below minimum	95		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.
Who to preside at meetings of the Board	96	(1)	The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
Directors to elect a Chairperson		(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
Delegation of powers	97	(1)	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.
Committee to conform to Board regulations		(2)	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.
Participation at Committee meetings		(3)	The participation of directors in a meeting of the Committee 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.
Chairperson of Committee	98	(1)	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
Who to preside at meetings of Committee		(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
Committee to meet	99	(1)	A Committee may meet and adjourn as it thinks fit.
Questions at Committee meeting how decided		(2)	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
Casting vote of Chairperson		(3)	In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

at Committee meeting			
Acts of Board or Committee valid notwithstanding defect of appointment	100		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 or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
Passing of resolution by circulation	101.		Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of 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.

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

Chief Executive Officer, etc.	102	(a)	Subject to the provisions of the Act,— A chief executive officer, manager, company secretary and 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 and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
Director may be chief executive officer, etc.		(b)	A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Registers

Statutory registers	103		The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
Foreign register	104	(a)	The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and\ the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
		(b)	The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

The Seal

The seal, its custody and use	105	(1)	The Board shall provide for the safe custody of the seal.
Affixation of seal			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 one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Dividends and Reserve

Company in general meeting may declare dividends	106		The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
Interim dividends	107		Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
Dividends only to be paid out of profits	108	(1)	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 applied 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.
Carry forward of profits		(2)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
Division of profits	109	(1)	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.
Payments in advance		(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
Dividends to be apportioned		(3)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
No member to Receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom	110	(1)	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.

Retention of dividends		(2)	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.
Dividend how remitted	111	(1)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of jointholders, 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.
Instrument of payment		(2)	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
Discharge to Company		(3)	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
Receipt of one holder sufficient	112		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.
No interest on dividends	113		No dividend shall bear interest against the Company.
Waiver of dividends	114		The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Accounts

Inspection by Directors	115	(1)	The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.
Restriction on inspection by members		(2)	No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

Winding up

Winding up of Company	116		Subject to the applicable provisions of the Act and the Rules made thereunder -
		(a)	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.
		(b)	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.
		(c)	The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity and Insurance

	117	(a)	Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
		(b)	Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
		(c)	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

General Power

General power	118		Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
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SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at our Corporate Office at, #1-98/9/3/23 Plot No. 12E, Jai hind Colony, Madhapur, Hyderabad – 500081, Telangana, India, from 10.00 am to 5.00 pm on Working Days from the date of the Prospectus until the Offer Closing Date.

A Material Contracts to the Issue

1. Offer Agreement dated March 3, 2018, entered into among our Company, the Lead Manager and the Selling Shareholders.
2. Registrar MoU dated [●], entered into among our Company, the Registrar to the Offer and the Selling Shareholders.
3. Tripartite Agreement dated [●] entered into among our Company, NSDL and the Registrar to the Offer.
4. Tripartite Agreement dated [●] entered into among our Company, CDSL and the Registrar to the Offer.
5. Market Making Agreement dated [●] between our Company, the Market Maker and the Lead Manager.
6. Public Issue Agreement dated [●] entered into among our Company, Selling Shareholders and the Lead Manager, Public Issue Banks and the Registrar to the Offer.
7. Share Escrow Agreement dated [●] between the Selling Shareholders, our Company, the Lead Manager and the Share Escrow Agent.
8. Underwriting Agreement dated [●] entered into among our Company, the Lead Manager and the Selling Shareholders.

B Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation of our Company dated January 31, 2009 and a fresh certificate of incorporation dated January 29, 2018 pursuant to conversion of our Company into a public limited company.
3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated February 21, 2018 and February 22, 2018 respectively, authorizing the Issue.
4. Copies of Authority Letters provided by the Selling Shareholders.
5. Resolution of the Board of Directors of our Company dated March 5, 2018 approving the Draft Prospectus and amendments thereto.
6. MD Agreement dated January 29, 2018 entered into by our Company and Mr. Srikanth Kodali for appointment as Managing Director.

7. The examination reports of the Peer Reviewed Auditor, M/s. NSVR and Associates, Chartered Accountants, dated February 22, 2018 on our Company's restated financial information for the period ended December 31, 2017 and for the financial years ended as on March 31, 2017, 2016, 2015, 2014 & 2013 and Statement of Special Tax Benefits dated February 2, 2018 included in this Draft Prospectus.
8. Consent of the Peer Reviewed Auditor, M/s. NSVR and Associates, Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Draft Prospectus and as an expert, as defined under Section 2(38) of the Companies Act 2013, in relation to their audit report dated February 22, 2018 on our restated financial information and the Statement of Special Tax Benefits in the form and context in which it appears in this Draft Prospectus.
9. Consents of Promoters, Directors, Chief Financial Officer and Company Secretary and Compliance Officer, Statutory Auditors, Bankers to our Company, the lenders to the Company, the Selling Shareholders (*where such consent is required*), the LM, Underwriters, Registrar to the Offer, Bankers to the Issue, Refund Banker to the Issue, Legal counsel, Market Maker and Syndicate Member as referred to act, in their respective capacities.
10. Copy of In- Principle Approval from NSE Limited by way of letter dated [●], to use the name of NSE in this offer document for listing of Equity Shares on NSE EMERGE (The National Stock Exchange of India Limited).

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the under signed, hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the disclosures and statements in this Draft Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Sd/- Srikanth Kodali <i>Managing Director</i>	Sd/- Chereddi Ramachandra Naidu <i>Chairperson & Independent Director</i>
Sd/- Radha Krishna Pinnamaneni <i>Non- Executive Director</i>	Sd/- Naveen Nandigam <i>Independent Director</i>
Sd/- Kanti Kiran Doddapaneni <i>Whole Time Director</i>	

SIGNED BY CHIEF FINANCIAL OFFICER (CFO):

Sd/- Brendon Pereira

Date: March 05, 2018
 Place: Hyderabad

DECLARATION OF SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by him in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

Sd/-

Mr. Srikanth Kodali

Date: March 05, 2018

Place: Hyderabad

DECLARATION OF SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by him in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

Sd/-

Mr. Radha Krishna Pinnamaneni

Date: March 05, 2018

Place: Hyderabad