

**RED HERRING PROSPECTUS**

Dated: April 18, 2018

Read with section 32 of the Companies Act, 2013

The Red Herring Prospectus will be

updated upon filing with the RoC)

100% Book Built Offer

**SOFTTECH ENGINEERS LIMITED**

Our Company was incorporated as SoftTech Engineers Private Limited under the provisions of Companies Act 1956 vide Certificate of Incorporation dated June 17, 1996 at Ahmedabad, Gujarat bearing registration no. 04-29960 of 1996-97. The Registered office of our Company was originally situated at 1008, City Center, A.C. Market, Parle Point, Surat. The Registered office of our Company was subsequently shifted to 1st Floor, Balaji House, Opposite Telephone Exchange, Bajirao Road, Pune – 411030, Maharashtra pursuant to a special resolution passed by the shareholders of our Company at its extra-ordinary general meeting held on July 18, 2000 and the order passed by the Company Law Board, Western Region Bench, Mumbai dated October 12, 2001. A certificate of registration of the order of the Company Law Board dated October 12, 2001 confirming transfer of the registered office from State of Gujarat to the State of Maharashtra was issued by the Registrar of Companies, Pune on January 29, 2002. The Registered office of our Company was once again shifted to 259, Butte Patil Complex, Dashbhuj Ganpati, Karve Road, Pune – 411030 pursuant to Board resolution dated May 5, 2003. The Registered office of our Company was once again shifted to 'The Pentagon', Unit No. 5A, Near Satara Road Telephone Exchange, Shahu College Road, Parvati, Pune 411009 pursuant to Board resolution dated September 1, 2005. The name of our Company was subsequently changed to SoftTech Engineers Limited pursuant to special resolution passed by the shareholders of our Company at the EGM held on February 22, 2018 and a fresh certificate of incorporation consequent upon conversion from Private Company to Public Company was issued by the RoC, Pune on March 1, 2018. The corporate identity number of the company is U30107PN1996PLC016718. For details of Incorporation, Change in the Name and Registered Office of our Company, please refer to the chapter titled "Our History and Certain Other Corporate Matters" beginning on page 176 of this Red Herring Prospectus.

**Registered Office:** 'The Pentagon', Unit No. 5A, Near Satara Road Telephone Exchange, Shahu College Road, Parvati, Pune 411009 Maharashtra, India  
**Tel. No:** +91-020-24218747; **Fax No.:**+91-020-24218747; **E-mail:** investors@softtech-engr.com; **Website:** www.softtech-engr.com

**Contact Person:** Aishwarya Patwardhan, Company Secretary and Compliance Officer

**PROMOTER OF OUR COMPANY: VIJAY GUPTA****THE OFFER**

**INITIAL PUBLIC OFFER OF UPTO 28,51,200\* EQUITY SHARES OF FACE VALUE OF 10/- EACH ("EQUITY SHARES") OF SOFTTECH ENGINEERS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [•] PER EQUITY SHARE) AGGREGATING UP TO RS [•] LAKHS\*\* ("THE OFFER") COMPRISING OF A FRESH ISSUE OF UPTO 23,71,200 EQUITY SHARES AGGREGATING UP TO RS. [•] LAKHS BY THE COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 4,80,000 EQUITY SHARES BY RAJASTHAN TRUSTEE COMPANY PRIVATE LIMITED A/C SME TECH FUND RVCFT TRUST II (REFERRED TO AS THE "SELLING SHAREHOLDER") AGGREGATING UPTO [•] LAKHS BY THE SELLING SHAREHOLDER ("OFFER FOR SALE"). THE OFFER COMPRIMES OF UP TO 1,44,000 EQUITY SHARES OF FACE VALUE RS. 10/- EACH FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE, AGGREGATING RS. [•] 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 UPTO 27,07,200 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE, AGGREGATING RS. [•] IS HEREINAFTER REFERED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [•] % AND [•] %, RESPECTIVELY OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER, BUSSINESS STANDARD, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER, BUSSINESS STANDARD AND PUNE EDITIONS OF THE MARATHI NEWSPAPER PRABHAT (MARATHI BEING THE LOCAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS SITUATED), EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE, AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

In case of any revisions in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of the Syndicate Members (defined herein below).

In terms of 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 the chapter titled "Offer Procedure" beginning on page 273 of this Red Herring Prospectus. A copy of this Red Herring Prospectus and the Prospectus shall be delivered for registration to the Registrar of Companies, Pune as required under Section 32 and 26 of the Companies Act, 2013.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") the Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI (ICDR) Regulations"), wherein 49.94% of the NetOffer shall be available for allocation on a proportionate basis to QIBs, 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All investors shall participate in this Offer mandatorily through the Applications Supported by Blocked Amount ("ASBA") process by providing details of their respective bank accounts which will be blocked by SCSBs. For details, please refer to the section titled "Offer Information" on page 262 of RHP.

**RISK IN RELATION TO THE FIRST OFFER**

This being the first public Offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each. The Floor Price is [•] times the face value and the Cap Price is [•] times the face value. The Offer Price (determined and justified by our Company in consultation with the BRLM as stated in "Basis for Offer Price" on page 126 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**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire 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 issued 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 Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 22 of this Red Herring Prospectus.

**COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring 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 Red Herring 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares of our Company issued through this Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE") 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 April 18, 2018 from National Stock Exchange of India Limited for using its name in the Offer document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Offer, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

**BOOK RUNNING LEAD MANAGERS****REGISTRAR TO THE OFFER****PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

406-408, Keshva Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai - 400051

Tel: +91-22 61946700; Fax: +91-22 2659 8690

Website: [www.pantomathgroup.com](http://www.pantomathgroup.com)

Email: [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)

Investor Grievance Id: [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)

Contact Person: Hardik Bhata

SEBI Registration No: INM000012110

**SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA**

SIDBI- MSME Development Centre, Plot No. C-11, 'G' Block Bandra Kurla Complex, Bandra (East), Mumbai- 400051

Tel : +91-22 67531100

Fax: +91-22 67531236

Email: [merchantbanking@sidbi.in](mailto:merchantbanking@sidbi.in)

Website: [www.sidbi.in](http://www.sidbi.in)

Contact Person: Suresh Kumar Rai

SEBI Registration No: INM000012086

**LINK INTIME INDIA PRIVATE LIMITED**

C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India

Tel: +91-022-49186200; Fax: +91-022-4918695

Email: [softtech.ipo@linkintime.co.in](mailto:softtech.ipo@linkintime.co.in)

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

Investor Grievance Id: [softtech.ipo@linkintime.co.in](mailto:softtech.ipo@linkintime.co.in)

Contact Person: Shanti GopalKrishnan

SEBI Registration Number: INR000004058

**OFFER PROGRAMME**

**BID/OFFER OPENS ON: FRIDAY, APRIL 27, 2018**

**BID/OFFER CLOSES ON: THURSDAY, MAY 3, 2018**

\*Number of shares may need to be adjusted for lot size upon determination of offer price

\*\*Subject to finalisation of basis of allotment

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## **SECTION I. GENERAL**

### **DEFINITIONS AND ABBREVIATIONS**

*This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies, as amended or re-enacted from time to time. The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Listing Regulations, the Depositories Act or the Rules and Regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Tax Benefits", "Financial Statements" and "Main Provisions of the Articles of Association" beginning on pages 130, 212 and 329, respectively, shall have the meaning ascribed to such terms in such sections. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.*

*Unless the context otherwise indicates or implies, all references to "the Issuer", "Issuer Company", "the Company", "our Company" "SoftTech Engineers Limited" or "SoftTech" or "SEL" are references to SoftTech Engineers Limited and references to "we", "our" or "us" are references to our Company, together with its Subsidiaries, Associate Company and Joint Ventures, if any.*

#### **Company Related and Selling Shareholder Related Terms**

<b>Term</b>	<b>Description</b>
Articles or Articles of Association or AOA	The Articles of Association of our Company, as amended or updated from time to time.
Audit Committee	The Audit Committee of our Board constituted in accordance with Section 177 of the Companies Act and as described in the chapter titled " <i>Our Management</i> " beginning on page 184 of this RHP.
Auditor or Statutory Auditor	The Statutory Auditor of our Company, being M/s Walker Chandiok & Co, LLP, Chartered Accountants and as mentioned in the chapter titled " <i>General Information</i> " beginning on page 61 of this RHP.
Bankers to our Company	The Bankers to the Company as mentioned in the chapter titled " <i>General Information</i> " beginning on page 61 of this RHP.
Board or Board of Directors or our Board	The Board of Directors of our Company, as duly constituted from time to time, and includes any committee(s) of the Board constituted in accordance with the Companies Act, 2013. For further details, see chapter titled " <i>Our Management</i> " beginning on page 184 of this RHP.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company as mentioned in the chapter titled " <i>General Information</i> " beginning on page 61 of this RHP.
Company Secretary & Compliance Officer	The Company Secretary and Compliance Officer of our Company as mentioned in the chapter titled " <i>General Information</i> " beginning on page 61 of this RHP.
CSR Committee	The Corporate Social Responsibility Committee of the Board as described in the chapter titled " <i>Our Management</i> " beginning on page 184 of this RHP.
Director(s) / our Director(s)	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each fully

<b>Term</b>	<b>Description</b>
	paid- up.
Equity Shareholders	Persons / Entities holding Equity Shares of our Company
Executive Director(s)	The Managing Director and Whole-time Director(s) of our Company.
Group Companies	Such Companies as are included in the chapter titled " <i>Our Group Companies</i> " beginning on page 209 of this RHP.
IPO Committee	The IPO committee of our Board constituted to facilitate the process of the Offer, as described in the chapter titled " <i>Our Management</i> " on page 184 of this RHP.
ISIN	International Securities Identification Number being INE728Z01015
Key Managerial Personnel/KMPs	Key Managerial Personnel of our Company in terms of Regulation 2(1)(s) of the SEBI (ICDR) Regulations and as disclosed in the chapter titled " <i>Our Management</i> " beginning on page 184 of this RHP.
Materiality Policy	The policy adopted by our Board on March 3, 2018 for identification of Group Companies, outstanding material litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under Schedule VIII of the SEBI (ICDR) Regulations.
Memorandum of Association or Memorandum or MOA	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board, constituted under Section 178 of the Companies Act and as described in the chapter titled " <i>Our Management</i> " beginning on page 184 of this RHP.
Peer Review Auditor	An Auditor having a valid Peer Review certificate, in our case being our Statutory Auditors and as mentioned in the chapter titled " <i>General Information</i> " beginning on page 61 of this RHP.
Promoter	Sole promoter of our Company being Mr. Vijay Gupta. For further details, please refer to the chapter titled " <i>Our Promoters and Promoter Group</i> " beginning on page 205 of this RHP.
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 in the chapter titled " <i>Our Promoters and Promoter Group</i> " beginning on page 205 of this RHP.
Registered Office	The Registered office of our Company situated at The Pentagon, Unit No. 5A, Near Satara Road, Telephone Exchange Shahu College Road, Parvati, Pune 411009, Maharashtra, India.
Restated Financial Information	The Restated Standalone Financial Statements of our Company.
Restated Standalone Financial Statements	The Restated Standalone 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 the period ended October 31, 2017 and the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 together with the annexures and the notes thereto, which have been prepared in accordance with the Companies Act, the applicable Accounting

<b>Term</b>	<b>Description</b>
	Standards and restated in accordance with the SEBI (ICDR) Regulations.
RoC or Registrar of Companies	Registrar of Companies at Pune (Maharashtra), situated at PMT Building, Pune Stock Exchange, 3rd Floor, Deccan Gymkhana, Pune-411004 Maharashtra, India.
Shareholders	Shareholders of our Company
Selling Shareholder(s)	Rajasthan Trustee Company Private Limited. A/C SME Tech Fund RVCF Trust II.
Stakeholders Relationship Committee	The Stakeholders' Relationship Committee of our Board constituted under Section 178 of the Companies Act and as described under the chapter titled " <i>Our Management</i> " beginning on page 184 of this RHP.
You, your or yours	Prospective investors in this Offer

### Offer Related Terms

<b>Term</b>	<b>Description</b>
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 Shareholder pursuant to the Offer for Sale to the successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	Successful Bidders(s) to whom Equity Shares are being/have been allotted/transferred.
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI (ICDR) Regulations.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders (other than Anchor Investor), to make a Bid authorizing an SCSB to block the Bid Amount in the ASBA Account maintained with the SCSB.
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders which has been blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than Anchor Investor).
ASBA Bidders	Any Bidder other than an Anchor Investor
ASBA Form/ Bid Cum Application	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of this RHP.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai and Kolkata.
Bankers to the Offer	The banks which are clearing members and registered with SEBI as Banker to an Offer with whom the Public offer Account will be opened and in this case being ICICI Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful ASBA Bidders under the Offer and which is described under the chapter titled " <i>Offer Procedure</i> " beginning on page 273 of this RHP.

<b>Term</b>	<b>Description</b>
Bid(s)	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the ASBA Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer.
Bid cum Application Form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus
Bid Cum Application Collecting Intermediaries	<ol style="list-style-type: none"> <li>1. a SCSB with whom the ASBA Account, is maintained</li> <li>2. a syndicate member (or sub-syndicate member), if any</li> <li>3. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("Broker") if any</li> <li>4. a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>5. a registrar to an Offer and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ol>
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	The date after which the Syndicate, the Designated Intermediaries and the Registered Brokers will not accept any Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Pune edition of the Marathi newspaper Prabhat, each with wide circulation and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations.
Bid/ Offer Opening Date	The date on which the Syndicate, the Designated Intermediaries and the Registered Brokers will start accepting Bids, which shall be notified in all editions of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Pune edition of the Marathi newspaper Prabhat, each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations.
Bid/ Offer Period	The period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which ASBA Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied
Bidding/Collecting Centre	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which the Offer is being made.

<b>Term</b>	<b>Description</b>
Book Running Lead Manager or BRLM	The book running lead manager to the Offer namely Pantomath Capital Advisors Private Limited and SIDBI.
Broker Centres	Broker centres notified by the Stock Exchanges, where the ASBA Bidders 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 National Stock Exchange of India Ltd.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful ASBA Bidder indicating the Equity Shares which will be allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price have not been finalized and above which no Bids are accepted, including any revisions thereof, being Rs. [●], per Equity share.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	The Offer Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholder in consultation with the BRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details
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
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated CDP Locations	Such centres of the CDPs where ASBA Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Designated Date	The date on which the Collection Banks transfer funds from the Public Offer Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful ASBA Bidders in the Fresh Issue and the Selling Shareholder may give delivery instructions for the transfer of the respective Offered Shares.

<b>Term</b>	<b>Description</b>
Designated Intermediary(ies)	Collectively the members of the Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such centres of the RTAs where ASBA Bidder can submit the Bid cum 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 ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Designated Stock Exchange	National Stock Exchange of India Ltd.
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated March 28, 2018, issued in accordance with Section 26 and 32 of the Companies Act, 2013 and 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 and shall include any addenda or corrigenda thereto.
Eligible NRI	A non-resident Indian, from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof.
Emerge Platform of NSE/ SME Exchange	The Emerge platform of National Stock Exchange of India, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations
First/Sole Bidder	The Bidder whose name shall be mentioned in the Bid cum 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.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price will be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares, being Rs. [●] per Equity Share.
Fresh Issue	The fresh issue of up to 23,71,200 Equity Shares aggregating up to Rs. [●] Lakhs by our Company.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by SEBI and included in the chapter titled "Offer Procedure" beginning on page 273 of this RHP.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Market Making Agreement	Market Making Agreement dated April 17, 2018 between our Company, Book Running Lead Managers and Market Maker as amended or updated from time to time.
Market Maker	Market Maker appointed by our Company, who has agreed to receive or

<b>Term</b>	<b>Description</b>
	deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time, in this case being Pantomath Stock Brokers Private Limited.
Market Maker Reservation Portion	The Reserved Portion of 1,44,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] Lakhs for the Market Maker in this Offer.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non-Institutional Bidders or Non-Institutional Investors or NIIs	All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than Rs. 2,00,000/- (but not including NRIs other than Eligible NRIs).
NSE	The National Stock Exchange of India Limited
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of 27,07,200 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] Lakhs by our Company
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further information about use of the Offer Proceeds and the Offer expenses, please refer to the chapter titled " <i>Objects of the Offer</i> " beginning on page 100 of this RHP.
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
Offer	The initial public offer of up to 28,51,200 Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. [●] each, aggregating up to Rs. [●] Lakhs comprising the Fresh Issue of 23,71,200 Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. [●] each, aggregating up to Rs. [●] Lakhs and the Offer for Sale of up to 4,80,000 Equity Shares aggregating up to Rs. [●] Lakh.
Offer Agreement	The agreement dated March 28, 2018 between our Company, the Selling Shareholder and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale / OFS	The offer for sale of upto 4,80,000 Equity Shares aggregating up to Rs. [●] Lakhs by the Selling Shareholders at the Offer Price in terms of the Red Herring Prospectus. For further details in relation to Selling Shareholders, please refer to the chapter titled " <i>The Offer</i> " beginning on page 59 of this RHP.
Offer Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Offer Price has been decided by our Company and the Selling Shareholder in consultation with the BRLMs on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
Offer Proceeds	The proceeds of the Offer that is available to our Company and the Selling Shareholder. For further information about the use of Offer Proceeds, please refer to the chapter titled " <i>Objects of the Offer</i> " beginning on page 100 of this RHP.

<b>Term</b>	<b>Description</b>
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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Offer.
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Price Band	Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including revisions thereof.  The Price Band and the minimum Bid Lot size for the Offer has been decided by our Company and the Selling Shareholder in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/Offer Opening Date, in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and Pune edition of the Marathi newspaper Prabhat, each with wide circulation.
Pricing date	The date on which our Company and the Selling Shareholders in consultation with the BRLM, has finalised the Offer Price.
Public Offer Account	Account opened with the Banker to the Offer i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Public Offer Account Agreement/ Banker to the Offer Agreement	Agreement dated April 17, 2018, entered into between our Company, Selling Shareholders, Book Running Lead Manager, the Registrar to the Offer and Public Offer Bank/Banker to the Offer for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto.  The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to ASBA Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	The 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 ICICI Bank Limited
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable

<b>Term</b>	<b>Description</b>
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of National Stock Exchange of India having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/members/MembershipDirectory.aspx">http://www.nseindia.com/members/MembershipDirectory.aspx</a>
Registrar /Registrar to the Offer	Registrar to the Offer, in this case being Link Intime India Private Limited having registered office at C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India.
Registrar Agreement	The agreement dated March 28, 2018, entered by our Company and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
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.
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Individual Bidders who have Bid for the Equity Shares for an amount not more than Rs.2,00,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Revision Form	Form used by the ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).
Reservation Portion	The portion of the offer reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Offer registered under SEBI (Bankers to an Offer) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> or at such other website as may be prescribed by SEBI from time to time
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely Link Intime India Private Limited
Share Escrow Agreement	The Agreement to be entered into between the Selling Shareholders, our Company, BRLM and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer For Sale by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allotees.
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Sub-Syndicate members	A SEBI registered member of National Stock Exchange of India Limited appointed by the BRLMs and/or Syndicate Member to act as a Sub-

<b>Term</b>	<b>Description</b>
Syndicate Member in the offer.	
Syndicate Agreement	Agreement dated April 17, 2018 entered into amongst the BRLMs, the Syndicate Members, our Company and the Selling Shareholder in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an Underwriter, namely, Pantomath Stock Brokers Private Limited
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter(s)	Pantomath Capital Advisors Private Limited and SIDBI
Underwriting Agreement	The agreement dated April 17, 2018 entered into between the Underwriters, Selling Shareholder and our Company.
Working Day	<p>i. Till Application / Offer closing date: All days other than a Sunday or a public holiday, on which commercial banks in Mumbai are open for business;</p> <p>ii. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016</p>

### **Technical and Industry Related Terms**

<b>Term</b>	<b>Description</b>
IT/ITes	Information Technology/Information Technology enabled
CAD	Computer Aided Design
CAM	Computer Aided Manufacturing
BPM	Business Process Management
US	United States
USP	Unique Selling Proposition
IMP	International Monetary Fund
GDP	Gross Domestic Product
WEO	World Economic Outlook
GVA	Gross Value Added
IIP	Index of Industrial Production
NBFC	Non-Banking Financial Company
GST	Goods & Service Tax
CSO	Central Statistics Office
MSP	Minimum Support Price
CPI	Consumer Price Index
IBC	Insolvency and Bankruptcy Code
NASSCOM	National Association of Software & Service Companies
FDI	Foreign Direct Investment
DIPP	Department of Industrial Policy & Promotion

<b>Term</b>	<b>Description</b>
CAGR	Compounding Annual Growth Rate
AI	Artificial Intelligence
PE	Private Equity
FSOC	Free Space Optical Communication
GBPS	Gigabits Per Seconds
DDT	Dividend Distribution Tax
MSF	Million Square Feet
M&A	Merger & Acquisition
USGBC	US Green Building Council's
LEED	Leadership in Energy & Environmental Design
DIPP	Department of Industrial Policy & Promotion
H-CARE	HDFC Capital Affordable Real Estate Fund
SEZs	Special Economic Zone
BFSI	Banking Finance Service & Insurance
SPREF	Start a Real Estate Fund
CBD	Central Business District
SBD	Special Business District
MNC	Multi-National Companies
LPI	Logistics Performance Index
NMCG	National Mission for Clean Ganga
SARDP-NE	Special Accelerated Road Development Programme for North East
INR	Indian Rupees Rate
AMRUT	Atal Mission for Rejuvenation & Urban Transformation
SEPL-ESRGSR	SoftTech Engineers Private Limited – Elevated Service Reservoirs & Ground Service Reservoirs
STRUDS	Structural Analysis, Design & Detailing Software

#### **Conventional and General Terms / Abbreviations**

<b>Term</b>	<b>Description</b>
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investments Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Amt / AMT	Amount
AS/ Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
AoA	Articles of Association
Approx	Approximately
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
Bn	Billion

<b>Term</b>	<b>Description</b>
BG / LC	Bank Guarantee / Letter of Credit
BRLMs	Book Running Lead Managers
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIS	Commonwealth of Independent States
CMD	Chairman and Managing Director
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections).
Companies Act	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	Consolidated FDI Policy with effect from August 28, 2017 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.
CS	Company Secretary
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
EXIM/EXIM Policy	Export-Import Policy
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under

<b>Term</b>	<b>Description</b>
FII(s)	Foreign Institutional Investors, as defined under the FII Regulations
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FIs	Financial Institutions
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FV	Face Value
F.Y./FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI/ Government	Government of India
GST	Goods and Services Tax
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
ICMAI	The Institute of Cost Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IIP	Index of Industrial Production
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
INR/Rs./Rupees	Indian National Rupee
Income Tax Act or the I.T.	The Income Tax Act, 1961
IPO	Initial Public Offering
IT Authorities	Income Tax Authorities
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016.
Key Managerial Personnel/KMP	Key Managerial Personnel
Ltd.	Limited
MAPIN	Market Participants and Investors Database
MICR	Magnetic Ink Character Recognition
Mn	Million
MoA	Memorandum of Association
MoU	Memorandum of Understanding

<b>Term</b>	<b>Description</b>
Mtr	Meter
N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non-Banking Finance Company
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NOC	No Objection Certificate
NPV	Net Present Value
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
p.a.	per annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
POA	Power of Attorney
Pvt.	Private
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
ROE	Return on Equity
R&D	Research & Development
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956 as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957 as amended.
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 2015, as amended.

<b>Term</b>	<b>Description</b>
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.
SEBI (PFUTP) Regulations / PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets)Regulations, 2003
SEBI Regulations/ SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SEBI SBEB Regulations	Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014.
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time.
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
u/s	Under Section
UIN	Unique Identification Number
US/ U.S./ USA/ United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Securities Act, 1933	U.S. Securities Act of 1933, as amended
UOI	Union of India

<b>Term</b>	<b>Description</b>
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WDV	Written Down Value
w.e.f.	With effect from
WHO	World Health Organisation
Wilful Defaulter	Wilful Defaulter as defined under Section 2 (1)(zn) of the SEBI
WTD	Whole-time Director
YoY	Year over year

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION**

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

### **FINANCIAL DATA**

Unless stated otherwise, the financial data included in this Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled *“Financial Statements”* beginning on page 212 this Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations. Our fiscal year commences on April 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the next year. All references to a particular fiscal year are to the 12 month period ended March 31<sup>st</sup> of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Any percentage amounts, as set forth in *“Risk Factors”*, *“Our Business”*, *“Management’s Discussion and Analysis of Financial Condition and Results of Operations”* and elsewhere in this Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled *‘Financial Statements’* beginning on page 212 of this Red Herring Prospectus.

### **CURRENCY OF PRESENTATION**

In this Red Herring Prospectus, references to “Rupees” or “Rs.” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America. All references to “%”. All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

### **INDUSTRY & MARKET DATA**

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Red Herring 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 Red Herring 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 22 of this Red Herring 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 Red

Herring 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.

## **FORWARD-LOOKING STATEMENTS**

This Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. 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 and property valuations to differ materially from those contemplated by the relevant forward looking statement.

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the sectors/areas in which we operate;
- Factors affecting Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of Interest with affiliated companies, the Promoter Group and other related parties; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 22 and 213 respectively of this Red Herring 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.

Future looking statements speak only as of the date of this Red Herring Prospectus. Neither we, our Directors, Lead Manager, Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the BRLMs and our Company will ensure that investors in India

are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

## **SECTION II. RISK FACTORS**

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

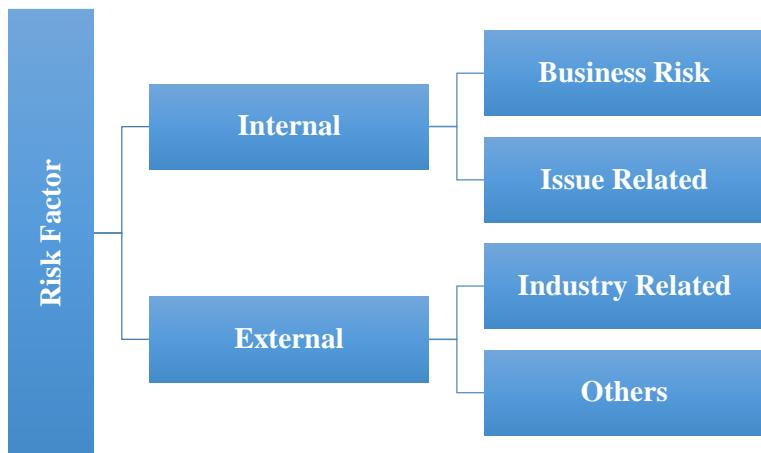
*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act, 2013 and its applicable Companies Act Rules (as amended from time to time) and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 151, “Our Industry” beginning on page 135 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 213 respectively, of this Red Herring Prospectus as well as other financial information contained herein.*

*The following factors have been considered for determining the materiality of Risk Factors:*

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have material impact in future.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 2 of this Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*The risk factors are classified as under for the sake of better clarity and increased understanding:*



## **INTERNAL RISK FACTORS**

### **BUSINESS/ COMPANY SPECIFIC RISK**

- Our Company and one of our Directors are involved in certain litigation which is currently pending at various stages. Any adverse decisions in these cases against the Company or our Director may impact business and operations of the Company.***

Our Company and one of our Directors are involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company.

A brief consolidated detail of such outstanding litigations as on the date of this Red Herring Prospectus are as follows:

#### **Matters involving our Company:**

Nature of the Cases	No of Outstanding Cases	Amount Involved (Rs. in Lakhs)*
<b>Litigations against our Company</b>		
Civil	1	7.62
Tax	6	7.79
Criminal	0	0
<b>Litigations by our Company</b>		
Civil	0	0
Tax	2	39.11
Criminal	0	0

#### **Matters involving our Directors**

Nature of the Cases	No of Outstanding Cases	Amount Involved (Rs. in Lakhs)*
<b>Litigations against our Directors</b>		
Civil	1	7.62
Tax	0	0
Criminal	0	0
<b>Litigations by our Directors</b>		
Civil	0	0
Tax	0	0
Criminal	0	0

\*Amount mention to the extent quantifiable. The amounts may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on the date of this Red Herring

*Prospectus.*

Any developments in the proceedings, against our Company and our Director may create constraints to make provisions in our financial statements which may have an adverse impact on our business, goodwill, result of operations and financial condition.

For further details in relation to legal proceedings involving our Company and our Directors, please refer to the chapter titled “Outstanding Litigation and Material Developments” beginning on page 238 of this Red Herring Prospectus.

**2. *Our inability to protect or use our intellectual property rights may adversely affect our business, results of operation and financial condition.***

We, own 3 trademarks and 3 copyrights registered as on the date of this Red Herring Prospectus. Further, our Promoter owns 1 trademark and 1 copyright, which is currently being used by our Company and which, as on the date of this Red Herring Prospectus, has been charged in favour of our lender Small Industries Development Bank of India (SIDBI) by way of an Assignment Deed dated March 6, 2013 as security towards a loan of Rs. 700.00 Lakhs borrowed by our Company. For details, please refer the chapter titled “Government and Other Statutory Approvals” beginning on page 243. Our trademarks and copyrights are significant to our business and operations and our business is dependent on our ability to protect our intellectual property rights which are currently used by our Company.

The use of our trademarks or copyrights by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. Further as on date of this RHP, our Company has applied for registration of one patent with the Patent Office. We cannot assure you that our application will be accepted by the Patent Office and that the patent will be registered in favour of our Company. In the event our application is rejected by Patent Office, we may be unable to enjoy complete benefits of a patented product or to compete effectively and our business, results of operation and financial condition may be adversely affected.

Obtaining, protecting and defending intellectual property rights can be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the time and resources of management and technical personnel. 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.

Protecting our intellectual property rights is limited by territory in India and successfully obtaining intellectual property rights protection in one jurisdiction may not necessarily provide protection in another jurisdiction and we may have to seek such alternative protections available in multiple and other jurisdictions where we and our customers operate. The process for obtaining intellectual property rights protection in certain jurisdictions can be lengthy and may entail substantial costs. Incurring substantial costs for the intellectual property rights protection may have an effect on the operations and the cash flows of the Company

**3. *Our Company is using certain trademark and copyrights belonging to our sole Promoter, which currently has been charged in favour of our lenders.***

Our Company is using a registered trademark and copyrights in respect of its software Auto DCR which originally is owned by and registered in favour of our sole Promoter Mr. Vijay Gupta. Our Company has been using the said copyright and trademark without entering into any formal royalty agreement or deed of assignment with our Promoter.

Further, our Company alongwith our Promoter has entered into a Deed of Assignment dated March 6, 2013 with Small Industries Development Bank of India pursuant to which the above referred copyright and trademark has been charged in favour of our lender Small Industries Development Bank of India

(SIDBI) as security towards a loan of Rs. 700 Lakhs borrowed by our Company. As per the terms of the Deed of Assignment, the above copyright and trademark will be assigned back to our Promoter upon full repayment of the loan, interest and other monies in terms of the said agreement. Further, our Promoter has given a written undertaking dated March 28, 2018 to our Company to transfer the above copyright and trademark by executing a fresh deed of assignment in favour of our Company as and when the loan has been repaid in full by our Company and the above mentioned copyright and trademark are assigned back to our Promoter.

In past we have repaid all our debts on time and shall continue to do so. In the event we default in repayment of the loans / facilities availed by us from SIDBI, the above copyright and trademark may become permanently vested in favour of SIDBI, which in turn could have significant adverse effect on our business, financial condition and results of operations. For further details please refer to chapter titled "Statement of Financial Indebtedness" beginning on page 231 and "Government and Other Statutory Approvals" beginning on page 243 of this Red Herring Prospectus.

**4. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.**

Our business is working capital intensive and requires significant portion of working capital and major portion of which is utilized towards trade receivables and trade payables. Further, our Company intends to continue growing by reaching out to newer clients/ customers and also increasing the sales in the existing customers base. Our growing scale and expansion, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out of debts, could adversely affect our financial condition and result of our operations. Summary of our working capital position is given below:-

Particulars	For the period ended 31 <sup>st</sup> Oct, 2017	Amount (Rs. In lakhs)			
		2017	2016	2015	2014
<b>A. Current Assets</b>					
Trade receivables	2,490.38	1,745.64	2,218.74	1,844.88	1,438.22
Cash and Bank Balances	20.70	325.94	134.09	23.84	533.23
Short-term loans and advances	188.13	169.90	116.73	62.81	28.93
Other Current Assets	1,978.93	1,764.70	1,318.91	411.70	304.33
<b>B. Current Liabilities</b>					
Trade Payables	859.78	562.00	846.99	446.58	250.61
Other Current Liabilities	1,005.50	1,020.75	801.59	459.19	458.06
Short Term Provisions	19.38	36.49	105.12	61.36	32.99
<b>Working Capital (A-B)</b>	<b>2,793.48</b>	<b>2,386.94</b>	<b>2,034.77</b>	<b>1,376.10</b>	<b>1,563.05</b>
<b>Trade Receivables as % of total current assets</b>	<b>53.2%</b>	<b>43.6%</b>	<b>58.6%</b>	<b>78.7%</b>	<b>62.4%</b>

Particulars	For the period ended 31 <sup>st</sup> Oct, 2017	For the year ended 31 <sup>st</sup> March			
		2017	2016	2015	2014
<b>Trade Payables as % of total current liabilities</b>	<b>45.6%</b>	<b>34.7%</b>	<b>48.3%</b>	<b>46.2%</b>	<b>33.8%</b>

**5. Our Company will not receive certain portion of Net proceeds of this Offer.**

The Offer includes a Fresh Issue of upto 23,71,200 Equity Shares by our Company aggregating to Rs. [●] Lakhs and an Offer for Sale of upto 4,80,000 Equity Shares by Selling Shareholder aggregating to Rs. [●] Lakhs. As on the date of this Red Herring Prospectus, Rajasthan Trustee Company Private Limited A/c SME Tech Fund RVCF Trust II have specifically confirmed that it holds 18,87,796 Equity Shares, and that they have consent to offer upto 4,80,000 Equity Shares for sale in the Offer for Sale. The proceeds for this portion will be remitted to the Selling Shareholder and our Company will not benefit from such proceeds. For further details, please refer to chapter titled – "*The Offer*" and the *Objects of Offer*" beginning page 59 and page 100 of this Red Herring Prospectus.

**6. Our revenues from our projects are subject to seasonal and other variations.**

We are engaged in the business of providing software products to various governmental authorities and departments. We receive work orders on the basis of tenders issued by them. These contracts are generally for long term period which provides a streamline revenue throughout the year. However, major portion of our contracts and work orders are generated during the last quarter of the Financial Year. For instance, in the last quarter of the Financial Year 2016-2017, our Company earned a Revenue of Rs. 1,215.98 Lakhs which constitutes approx. 26% of the total revenue for the whole financial year. This is basically due to the fact that the government departments and their authorities strives to meet the government targets at the year end. As a result, we witness higher revenue in the quarter ending March as compared to the other previous quarters in a financial year.

These factors may make it challenging for us to prepare accurate internal financial forecasts. In addition, since we record revenues using the percentage of completion method and revenues are not recognized until there is reasonable progress on a contract, revenues recorded in the first half of our financial year between April and September are traditionally less compared to revenues recorded during the second half of our financial year. As a result, our revenues and profits may vary significantly during different financial periods, and certain periods are not indicative of our financial position for the year. Investors may for further details, refer to chapter titled – "*Financial Statements as restated*" beginning page 212 of this Red Herring Prospectus.

**7. Failure to continue investing in Research & Development (R&D) activity may harm our business growth.**

One of the reason for us to grow has been our continued focus on R&D activity. Information Technology is an industry which by its nature requires a continuous and break-free focus on R&D activity. Considering the importance of R&D activities in our operations and business, we have been continuously investing in R&D and related activities. This requires extensive amount of capital & human effort in addition to other resources. Our Company has not faced issues around this till date, however, we cannot assure the potential investors that we shall be able to invest considerably or at all in R&D activities in coming years as we are presently doing. This may have an adverse effect on our growth and may impact our business severely.

**8. The business practices of our customers with respect to the collection, use and management of personal information could give rise to operational interruption, liabilities or reputational harm as a result of governmental regulation, legal requirements or industry standards relating to consumer privacy and data protection.**

The regulatory focus on privacy issues continues to increase whereby the global laws and regulations concerning the handling of personal information evolve and become more complex and stringent and potential risks related to data collection and use within our customers' business will intensify. In addition, many governments have enacted or are considering enacting legislation or regulations, or may in near future interpret existing legislation or regulations, in a manner that could significantly impact our ability and that of our customers' and data partners to collect, augment, analyse, use, transfer and share personal and other information that is integral to certain products we provide. The products of our Company are used by our customer's which involves the collection, use and management of personal information as the end usage. Certain proprietary and confidential information with respect to the building plan, development plans or other plans (like interior plan) are uploaded in the software installed in the customer's ecosystem.

Any systems failure or security breach in the software installed at the customers end could harm our reputation and goodwill and, consequently, our business, in addition to exposing us to potential legal liability. Any such legal proceedings or actions may subject us to significant penalties and negative publicity along with increase in costs to defend any such legal proceedings which may require us to change our business practices and severely disrupt our business.

**9. Our Company has negative cash flows in one of the previous years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

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

Particulars	For the period ended 31 <sup>st</sup> Oct, 2017	Amount (Rs. In lakhs)			
		2017	2016	2015	2014
Cash Flow from / (used in) Operating Activities	62.10	943.21	(47.74)	217.19	167.77
Cash Flow from / (used in) Investing Activities	(176.89)	(510.65)	(420.89)	(725.38)	(437.39)
Cash Flow from / (used in) Financing Activities	(63.24)	(368.09)	578.88	(1.20)	689.81

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

**10. We face competition in the software industry. If we are unable to compete effectively, the results of our operations and prospects for our business could be harmed.**

The competition in the software and IT industry is highly competitive with players both small and large (which have identical but not the exact business carried on by the Company) competing with us. We expect competition to intensify in the future as the pace of technological change and adaptation accelerates in near future. Other companies may also launch products which are identical or similar to our products and may compete with us in terms of operations and market reach.

We may also face increasing competition from open source software initiatives in which competitors may use software and intellectual property for free thereby reducing their cost substantially. Existing or new competitors could gain sales opportunities or customers at our expense. Certain of these competitors may also compete very aggressively on price.

**11. Our software products owing to certain issues such as coding, configuration or any other technical error or defects could lead to Company bearing exponential costs, delay in revenues and consequently expose us to litigation.**

The software products that we have offered or which we offer to our customers are highly complex owing to the programming, coding and the technical language involved in making of our software products. We perform prior testing of our products before the launch of our software products and continuously endeavor to provide our customer seamless user experience by upgrading the performance of our software products throughout its lifecycle through regular updates of the versions of our software products and by improving its utility, performance, security and its function. Our software products may sometimes contain coding or configuration errors that can have a negative consequence on the functioning of our products which could hamper the end results required by our customers.

At times, there may be instances when few errors and bugs may be found in new software products that our Company launches or in the upgraded versions of our products after delivery to our customers. If these defects are discovered after the release of such products to our customers, there may be delays in correcting such defects and bugs which may create unsatisfactory user experience to our customers. Further, we cannot guarantee that despite our extensive tests prior to the launch of our software products, we may be able to adequately detect the software errors which may become apparent only once our software products are installed and used in an end-user's environment. The occurrence of errors and/ or failures in our software products could result in the delay in the launch of our products or a complete rejection of our product in the market. Alleviating such errors and failure may require us to incur significant time, cost and expenditure.

Our customers often use our software products for their critical business processes and as a result, any defect or disruption in our products or any data breaches or misappropriation of proprietary information, or any error in implementation either at the end of the customers or the Company or third-party activity such as denial of service attacks or hacking, may cause customers to reconsider renewing their contract with us. The errors in or failure of our software products could also result in loss of customer documents and other files belonging to the customer, thereby causing significant customer dissatisfaction and exposing us to claims for monetary damages and litigations.

**12. If our software products and services do not gain market acceptance, our operating results may be negatively affected**

To effectively meet our customer demands, it is important that we continue to develop and enhance our existing range of products and launch new software products and services in the market. The markets for our software products are rapidly evolving due to which the level of acceptance of products is not certain.

If the markets for our software products are not favourable, or tend to advance slower than expected, our business and operations may be adversely affected. As a result, we may be unable to: (i) successfully market our existing products; (ii) develop and successfully launch new software products and enhancements to existing software products; (iii) complete customer implementations on a timely basis, or (iv) complete software products currently under development.

If our software products are not accepted by our customers, our business, operating results and financial condition will be material adversely affected.

**13. The products that we commercialize may not perform as expected which could adversely affect our business, financial condition and results of operations.**

Our success depends significantly on our ability to commercialize our products in India and across various markets around the world. Commercialization requires us to successfully complete the programing, coding, testing, and marketing our products, while complying with applicable standards. In the event our products which are currently under development, do not perform as we expect, we may

not be able to successfully and profitably launch our product in the market which may adversely affect our business, revenues from operations, and cash flows. We intend to utilize Rs. 598.12 lakhs for marketing our products which are already developed and/ or which are under the process of development. For further details, please refer to section titled "Objects of the Offer" beginning on page 100 of this Red Herring Prospectus. We cannot assure that we will be able to successfully utilize this amount partly or fully or successfully market our products.

**14. Our cloud strategy, including our Software as a Service (SaaS) offerings, may impact our revenues and profitability from our existing and future on-premise enterprise software offerings.**

Our products are also deployed through our cloud-based "Software as a Service" (SaaS) offering. These cloud-based technology continue to evolve, and we may not be able to compete effectively and generate significant revenues or maintain the profitability of our cloud offerings.

Additionally, the increasing prevalence of cloud and SaaS delivery models offered by us and our competitors may unfavourably impact the pricing and demand of our on-premise enterprise software offerings, which may reduce our revenues and profitability.

As customer demand for our cloud offerings increases, we may experience volatility in our reported revenues and operating results due to the differences in timing of revenue recognition for our new on-premise software licences. Customers generally purchase our cloud offerings on a subscription basis and revenues from these offerings are generally recognised proportionately over the terms of the subscriptions. This is in contrast to revenues associated with our new on-premise software licences arrangements whereby new on-premise software licences revenues are generally recognised in full at the time of delivery of the related software licenses.

In the event we continue to see more of our customers selecting our SaaS offerings, with payments made on a monthly or periodic basis rather than based on a perpetual licence with upfront fees, we may, in some cases, face situation where our reported revenue and cash flow could be lower in the short term when compared to our historical perpetual licence model. Further, there may be variance in the cash flows and revenues between periods depending on our customers' preference to license our products or subscribe to our subscription-based offerings. While we expect that, over time, the transition to a cloud and subscription model will help our business to generate revenue growth by attracting new users and by keeping our user base current (as subscriptions allow users to receive the latest product updates and thereby increasing recurring revenue per user), there is no assurance that our short term revenue and operating cash flows will not be adversely affected during any ongoing transition period.

**15. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.**

Modernization and technology advancement are key to produce better quality solutions. Although, we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing technologies employed by us and any inability on our part to keep pace with such changes in the technological developments could adversely impact our business, results of operations and financial conditions. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations of our Company and our failure to anticipate or to respond adequately to changing technical, market demands and/ or customers' requirements could adversely affect our business and financial results.

**16. Our success depends upon our ability to develop new products and services and enhance our existing products and services.**

IT industry revolves around rapid technological changes, delivery models and evolving computer software development, changing and increasingly sophisticated customer needs and frequent new product introductions, improvisation and enhancements. Digitization is a recent major driving change in the business scenario, with leading players in the IT sector looking to adopt new technologies and

software platforms to meet critical business needs, including revenue growth driven through new products and services, better customer experience and delivery mechanisms, and growth in revenue and profits.

Additionally, our success depends upon ability to anticipate, design, develop, test, market, license and support new software products and enhance our existing products on a timely basis in response to both competitive threats and evolving industry requirements.

If we are unable to develop new products and services, enhance our offerings to the existing and new customer's base topping up with the support services to our customers in a timely manner and pricing, customers may not use our software products. Our business may be adversely affect if:

- we do not continue to develop and release or other new or enhance our existing products within the anticipated time frames;
- there is a delay in market acceptance of a new, enhanced or acquired product line;
- there are changes in IT industry standards or trends and preferences that we do not adequately anticipate or address with our product development efforts; or
- we fail to adequately integrate, support or enhance acquired product lines.

***17. Any IT system failures or lapses on part of any of our employees may lead to operational interruption, liabilities or reputational harm.***

The success of our businesses depends in part upon our ability to effectively deploy, implement and use information technology systems and advanced technology initiatives in a cost effective and timely basis. Our information technology systems include multiple applications, coding, configuration and other systems that allocate resources and facilitate internal and external communications, enabling us to coordinate and make quick decisions across our business.

Our computer networks may be vulnerable to unauthorised access, computer hacking, computer viruses, worms, malicious applications and other security problems caused by unauthorised access to, or improper use of, systems by our employees, subcontractors or third-party vendors.

Any systems failure or security breach or lapse on our part or on the part of our employees and other ecosystem participants that results in the release of user data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability. Any such legal proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business practices, increase our costs and severely disrupt our business.

***18. Our success depends on our ability to attract and retain key employees, and our failure to do so could harm our ability to grow our business and execute our business strategies.***

Our performance and success substantially depends on the ability to attract and retain our key employees, including our management team and experienced engineers. Although some of the members of our senior management have been with us for a long period of time, there can be no assurance that any member of our senior management or other key employees will not leave us in the future.

Our success is also highly dependent on our continuous ability to identify, hire, train, retain and motivate highly qualified management, technical, sales and marketing personnel. In particular, the recruitment of skilled product developers and experienced sales personnel remains critical to our success. Competition for personnel in the IT industry is intense and the quality of human resource a company possess is equally important, while the availability of suitable and qualified candidates is limited. We compete to attract and retain qualified personnel with top universities. The loss of the services of one or more of our key employees, especially our key engineers, or our inability to attract and retain qualified engineers, could harm our business, financial condition and results of operations.

***19. Our Promoter have pledged his shares for availing the financial facilities provided to us by our***

***lender. In the event there is any default on servicing of the debt obligations by our Company, the pledge may be invoked and the pledged shares of the Promoter may be taken over by the lender which in turn may further dilute his shareholding in our Company, which may adversely affect our business, prospects, financial condition and results of operations.***

For the purpose of availing financial facility from Technology Development Board of India, our Promoter, Mr. Vijay Gupta, have pledged 3,00,000 Equity Shares with Technology Development Board of India, which constitutes around 4.25% of our pre-offer share capital as on the date of filing the Red Herring Prospectus. In the event of any default in servicing of the debt obligations incurred by our Company, the pledge may be invoked and the pledged shares of our Promoter may be taken over by the lender which in turn may further dilute his shareholding in our Company, which may adversely affect our business, prospects, financial condition and results of operations. For further details, please refer chapter titled – “Statement of Financial Indebtedness” beginning Page no. [●] of this Red Herring Prospectus.”

***20. Product development is an expensive and long process and our current expenditure in research and development activities may not provide satisfactory return.***

The development of our products like, BIMDCR, Rule Buddy and IBPS is a costly, complex and time-consuming process, and the investment in their development often involves a long wait until a return is achieved on such an investment. We have made, and will continue to make, significant investments in software product research and development. Investments in new technology and processes are inherently uncertain. Commercial success depends on many factors, including the degree of innovation of the software products and its after sale services developed through our R&D efforts, sufficient support from our channel partners, and effective distribution and marketing. Such expenditure may adversely affect our operating results if they are not offset by corresponding and timely revenue increases.

We will continue to dedicate a significant amount of resources to our R&D efforts in order to maintain our position. However, significant revenues from new software product may not be achieved for a number of years, or at all. Moreover, new product software may not be profitable, and even if they are profitable, the initial operating margins for a new software products may not be in line with the margins we have experienced for our existing or historical software products.

We may determine that certain software product candidates do not have sufficient potential to warrant the continued allocation of resources and accordingly, we may elect to terminate such programs. If we terminate a software product in which we have investments significant resources, our prospects may suffer, as we will have expended resources on a project that will not provide any return on our investments and also may have missed the opportunity to have allocated those resources to potentially more productive areas. This may adversely impact our business, operating results and financial condition.

***21. If our security measures are compromised, our products and services would be perceived as vulnerable, our brand and reputation would be damaged and customers could stop using our products and services, all of which would materially adversely affect us.***

Our products and services store, retrieve and manage our customers' information and data, external data, as well as our own data. Third parties may identify and exploit product and its service vulnerabilities, penetrate or bypass our security measures, and gain unauthorised access to our or our customers, networks and systems, any of which could lead to the compromise of personal information or the confidential information or our data or that of our customers.

High-profile security breaches at companies have increased in recent years, and security industry experts and government officials have warned about the risks of hackers and cyber-attacks targeting IT products and businesses. These risks will increase as we continue to grow, store and process increasingly large amounts of data, including personal information and our customers' confidential information and data and other external data. Further, as privacy and data protection become more

sensitive issues in India, we may also become exposed to potential liabilities. For instance, under the Information Technology Act, 2000 (“IT Act”), we are subject to civil liability for wrongful loss or gain arising from any negligence by us in implementing and maintaining reasonable security practices and procedures with respect to sensitive personal data or information on our computer systems, networks, databases and software. India has also implemented privacy laws, including the IT Security Rules, which impose limitations and restrictions on the collection, use and disclosure of personal information.

We could suffer significant damage to our brand and reputation if a cyber-attack or other security incident were to allow unauthorised access to or modification of our customers’ data, other external data, or our own data or our IT systems or if the services we provide to our customers were disrupted, or if our products or services are perceived as having security vulnerabilities. Customers could lose confidence in the security and reliability of our products and services, and this could lead to fewer customers using our products and services and result in reduced revenue and earnings. The costs we may incur to address and fix these security incidents would increase our expenses. These types of security incidents could also lead to breach of contracts with customers, lawsuits, regulatory investigations and claims and increased legal liability, including contractual costs related to customer notification and fraud monitoring, all of which could materially adversely affect us.

**22. *The demand for our product is dependent, to a certain extent, on the level of investments and government’s spending on construction activities in India, policies on Smart City and Ease of Doing Business. Any economic downturn or other factors adversely affecting Government investments or policies in this area may result in a decrease in the demand for our product and adversely affect our business, results of operations and financial condition.***

Our Company caters majorly to various state governments and Public Welfare Department who are our customers. As on October 31, 2017, the revenue generated taking in account of business generated from the state government and central government is 70.86% of our total revenue. The continued demand for our product viz., Auto DCR and services in relation to government projects depends upon the continued expenditure by the government agencies on various construction projects it undertakes, Smart city initiatives by government and focus on improving the rankings in Ease of Doing Business. Various factors would affect, among others, the nature, scale, location and timing of the government’s public investment plans in the construction sector in India. These factors include the government’s policy and priorities regarding different regional economies and the general condition and prospects of the overall economy of India. The scaling back of government policies or its initiatives, changes in government or external budgetary allocation, or insufficiency of funds can adversely affect our business, financial condition and results of operations.

Any substantial reduction in the budget of our Customers relating to such aforesaid expenditure will lead to a fall in revenue arising from a smaller number of projects, lower contract value for our projects and/or a decline in profit margin due to increased competition for available projects. This could have a material and adverse effect on our business, financial position and results of operations.

Further, any initiatives taken on the level of investments and government’s spending on construction activities in India, policies on Smart City and Ease of Doing Business may not guarantee us incremental revenue as the contracts from the Government are awarded by way of tender and we may not be successful applicant in tender.

**23. *Some of our records, including forms filed with the Registrar of Companies are not traceable.***

Our Company is unable to trace certain forms and resolutions filed by the Company with the RoC in relation to incorporation of the Company such as Form 1 (application and declaration for incorporation of a company), Form 32 (Intimation of appointment of First Directors) and Form 18 (Intimation of situation of Registered Office of the Company at the time of Incorporation). Due to change in methods of record keeping over the years, all the forms filed with the RoC prior to the year 2006 such as return of allotment, forms for increase in authorized capital, annual returns, incorporation forms and forms for allotment of shares, etc. could not be traced by our Company from the RoC records. Further, online filings of RoC documents was initiated only in the year 2006 and all forms prior to the said year was

physically filed. While our Company has maintained and has been able to trace all other forms other than as mentioned above and resolutions filed by it with the RoC in physical form prior to the year 2006 in respect of the disclosures and statements made by it in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, our Company cannot assure that complete records of all the physical forms and documents are available with the Company. Our Company may not be in a position to attend to and / or respond appropriately to any legal matter which may arise due to lack of lost or destroyed records and to that extent the same could adversely affect our business operations.

Our Company has put in place appropriate systems and has also appointed a dedicated team of professionals to ensure that the records of all forms, resolutions and documents filed by our Company with the regulatory authorities on a regular basis are appropriately maintained.

**24. *Our business and results of operations are dependent on the contracts that we enter into with our customers. Any breach of the conditions under these contracts may adversely affect our business and results of operations.***

We have entered into contracts with our customers which, depending on the customer, may contain terms and conditions which typically include:

- (i) the nature and specification of products and its services to be provided by us;
- (ii) customisation and integration of the software with our customers' pre-existing systems;
- (iii) manner of inspection, testing and acceptance of software provided by us;
- (iv) representations, warranties and disclaimers made by us in relation to the services provided by us;
- (v) process to be followed in case of defects;
- (vi) steps to ensure compliance with applicable laws;
- (vii) undertakings in relation to protection of intellectual property of our customers; and
- (viii) indemnification of our customers due to our negligence or breach of any term of the agreement.

While we internally consider all such factors prior to entering into these contracts, we cannot assure you that we will be able to continue to enter into similar such contracts in the future, which are not more onerous than the contracts we enter into currently. Additionally, non-compliance with the terms of our contracts, including breach of confidentiality provisions, may subject us to damages or penalties, lead to termination of the contracts and also result in us being unable to attract further business in the future.

**25. *We are subject to risks associated with expansion into new geographic regions.***

Expansion into new markets, including in India and overseas, subjects us to various challenges, including those relating to our lack of familiarity with the culture, legal regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions.

The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new markets, we could be subject to additional risks associated with establishing and conducting operations, including: compliance with a wide range of laws, regulations and practices, increase in operating costs, including uncertainties associated with changes in:

- laws, regulations and practices and their interpretation; local preferences and service requirements;
- fluctuations in foreign currency exchange rates;
- inability to effectively enforce contractual or legal rights and adverse tax consequences;
- differing accounting standards and interpretations;
- stringent as well as differing labour and other regulations;
- differing domestic and foreign customs, tariffs and taxes;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

Our Company does intend to expand its existing markets. For further details, please refer to section titled "*Objects of the Offer*" beginning on page 100 of this Red Herring Prospectus. By opting to expand, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

**26. *We may be seriously affected by delays in the collection of receivables from our clients and may not be able to recover adequately on our claims.***

There may be delays in the collection of receivables from our customers. Because of the nature of our contracts, we sometimes commit resources to projects prior to receiving adequate payments from customers in amounts sufficient to cover expenditures as they are incurred. From time to time, it may be difficult for us to collect payments owed to us by these customers.

In addition, our customers may request extension of the payment terms otherwise agreed to under our contracts. As of October 31, 2017, in accordance with the Restated Financial Statements, Rs. 926.84 Lakhs, or approximately 37.22% of our total trade receivables had been outstanding for a period exceeding six months from their respective due dates. Additionally, we may claim for more payments from our clients for additional work and costs incurred in excess of the contract price or amounts not included in the contract price. These claims typically arise from changes in the initial scope of work or from delays caused by the clients. The costs associated with these changes or client caused delays include additional direct costs and indirect costs.

We may not always have the protection of escalation clauses in our contracts or supplemental agreement in respect of the additional work to support our claims. Where we have escalation clauses in our agreements, we may seek to enforce our contractual rights through various remedies available to the Company in law and in equity. However, our customers may interpret such clauses restrictively and dispute our claims. These claims are thus often subject to lengthy arbitration, litigation or other dispute resolution proceedings. We cannot assure you that we may be able to recover, in part or full, any such present or future claims. Further, our debtors may have insufficient assets to pay the amounts owed to us even if such proceedings are decided in our favour. In addition, we may incur substantial costs in collecting against our debtors and such costs may not be recovered in full or at all from the debtors. As we often need to fulfil significant working capital requirements in our operations, delayed collection of receivables or inadequate recovery on our claims could materially and adversely affect our business, cash flows, financial condition and results of operations.

**27. *Any failure to accurately estimate the overall risks, revenues or costs in respect of a project, may adversely affect our profitability and results of operations. Our actual cost in executing a contract may vary substantially from the assumptions underlying our bid in the tender. We may be unable to recover all or some of the additional expenses, which may have a material adverse effect on our results of operations, cash flows and financial condition.***

Under the terms and conditions of agreements for our projects, we generally agree to receive from the customers an agreed sum of money, subject to contract variations covering changes in the customers' project requirements. We may enter into agreements for the operating or installing the software product in the future which may not contain price escalation clauses covering increase in the cost of technical personnel, maintenance and other factors. Accordingly, our actual expense in providing our service may vary substantially from the assumptions underlying our bid. Our ability to pass-on increases in the costs may be limited in the case of contracts with limited or no price escalation provisions and there can be no assurance that these variations in cost will not lead to financial losses to our Company, which could have a material adverse effect on our cash flows, business, financial condition and results of operations.

**28. *We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or

that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**29. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation and goodwill of our Company. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**30. *We do not own our Registered Office and other premises from which we operate.***

Our Company does not own its Registered Office situated at The Pentagon, Unit-5A, 5<sup>th</sup> Floor, next to Satara Road, Telephone Exchange, Shahu College Road, Pune – 411 009, Maharashtra, India. Further, our other offices are also occupied by our Company on leasehold basis. For further details in relation to our Properties, please refer to the section titled – Land and Property in the chapter titled "*Our Business*" beginning on page 151 of this Red Herring Prospectus.

We cannot assure that we will be able to renew our leases on commercially favourable terms or at all in future. We also cannot assure you that we will be permitted to use any of our leased properties on a continuous basis. In the event that we are required to vacate the aforementioned premises, we would be required to make alternative arrangements for new offices and other infrastructure and we cannot assure that the new arrangements will be on commercially acceptable terms. In the event, we are unable to continue to use the premises or renew the lease agreement on favourable terms or at all, we may suffer disruption in our business and administrative operations, which may have an adverse effect on the business, financial condition and results of operations on our Company.

**31. *Consolidation in the industry, particularly by large, well-capitalised companies, could place pressure on our operating margins which could, in turn, have a material adverse effect on our business.***

Acquisitions by large, well-capitalised technology companies have been a continuing factor in IT industry. Many small companies have been acquired by the larger counter parts which have changed the marketplace for our software products and services by replacing competitors which are larger in size to us, with companies that have more resources to compete with us. They also have the ability to introduce products that compete with our software products and services. For instance, 2 of our initial products were acquired by CSC (UK) Ltd. in year 2011.

The threat posed by larger competitors and their ability to use their economies of scale to sell competing products and services at a lower cost may materially impact our sales and the profit margins that we earn on the software products and its services we provide in the marketplace.

**32. *Conflicts of interest may arise out of common business objects of our Promoter Group entities.***

One of our Promoter Group Entity, CoVisible Solutions India Private Limited ("CSIPL") has similar objects as those which are carried on by our Company. At present, CSIPL is non-operational and therefore has not generated any revenue in the previous years. Owing to similar objects, conflict of interests may arise as and when CSIPL re-starts operating again, in allocating business opportunities amongst our Company and Promoter Group Entity in circumstances where our respective interests diverge. Further, we do not have any non-compete agreement / arrangement with CSIPL. In cases of conflict, our Promoter may favour other company in which our Promoter has interests. There can be no assurance that our Promoter or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business,

results of operations and financial condition.

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

Our Company has entered into various transactions with our Promoter, Promoter Group, Directors and their Relatives in the past and from time to time.

While we believe that all such transactions entered into are legitimate business transaction and are conducted on arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not entered into with related parties. Furthermore, we will continue to enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation.

For details on the transactions entered by us, please refer to chapter "Related Party Transactions" beginning on page 210 of the Red Herring Prospectus.

**34. We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Any failure or delay in obtaining the same in a timely manner may adversely affect our operations.**

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may have expired or may expire in the near future and we may be in the process of making an application to obtain such approval or its renewal. We need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course of business. Our Company was converted into a public company limited by shares pursuant to shareholders approval dated February 22, 2018. Pursuant to our conversion from a private limited company to a public limited company, we are required to take necessary steps for reflecting the new name of our Company in all the certificates, licenses, consents and approvals granted to our company.

Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked to any regulatory action. Additionally, as on the date of filing this Red Herring Prospectus, our Company has not applied for change of its name in all the licenses, consents, approvals granted to the Company. For more information, see chapter "Government and Other Statutory Approvals" on page 243 of this Red Herring Prospectus.

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

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees, expand our distribution and business network and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source substantial business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It also is possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**36. We have certain contingent liabilities that have not been provided for in our Company's financials which if materialised, could adversely affect our financial condition.**

Our Company has certain contingent liabilities as on the date of Restated Financial Statements, the details of which are as under:

(Amount in Rs. Lakhs)

Particulars	31-Oct-17	31-Mar-17	31-Mar-16	31-Mar-15
Bank Guarantee	647.18	679.67	535.58	219.97
Central Sales Tax & VAT and other Matters	46.75	-	-	-

**37. Our insurance coverage may not be adequate.**

Our Company has obtained insurance coverage in respect of certain risks. We have taken insurance policies such as Standard Fire and Special Perils Policy. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like loss of profits, losses due to terrorism, etc. Further, there can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

For further details, please refer chapter titled “*Our Business*” beginning on page 151 of this Red Herring Prospectus.

**38. Our Company has certain unsecured loans which are repayable on demand. Any demand loan from lenders for repayment of such unsecured loans, may adversely affect our cash flows.**

As on October 31, 2017, our Company has unsecured loans amounting to Rs. 414.93 lakhs from related and other parties that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, please refer the chapter titled “*Financial Statements as Restated*” beginning on page 212 of this Red Herring Prospectus.

**39. Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios.**

As on October 31, 2017, we had a total debt of Rs. 1,840.36 Lakhs. We have entered into certain understandings/ arrangements for these borrowings. Some of these understandings/ arrangements contain requirements to maintain certain security margins, financial ratios and contain restrictive covenants relating to issuance of new shares, changes in capital structure, making material changes to constitutional documents, implementing any expansion scheme, incurring further indebtedness, encumbrances on, or disposal of assets and paying dividends. For further details, refer page 231 for “*Statement of Financial Indebtedness*”. 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 the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth

plans. For further information, see the chapter titled “*Financial Indebtedness*” on page 231 of the Red Herring Prospectus.

Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

**40. Statement made by Erstwhile Statutory Auditor P.G. Bhagwat, Chartered Accountants in its Audit Report for the FY 2012-13 and FY 2013-14**

In the past, our erstwhile statutory auditor P.G. Bhagwat, Chartered Accountants reported in its Audit Reports for the Financial Years 2012-13 and 2013-14 that Company does not have internal audit system. However, response of the management of the Company in respect of the same is also disclosed in the said Audit Reports was that the management closely monitors the business and the day to day transactions of the Company and was in process of setting up an internal audit system. In the subsequent year, Company developed internal audit system and the said remark was not in the subsequent financials.

**41. We have taken guarantees from Promoter and members of Promoter Group in relation to debt facilities provided to us.**

We have taken guarantees from Promoter and members of Promoter Group in relation to our secured debt facilities availed from our lenders. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition.

For more information please see the chapter titled “*Financial Indebtedness*” beginning on page 231 of this Red Herring Prospectus.

**42. Our lenders have charge over our movable properties in respect of finance availed by us.**

We have secured our lenders by creating a charge over our movable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 1,425.43 Lakhs as on October 31, 2017. In the event, we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations.

For further information on the *Financial Indebtedness* please refer to page 231 of this Red Herring Prospectus.

**43. Within the parameters as mentioned in the chapter titled ‘Objects of this Offer’ beginning on page 100 of this Red Herring Prospectus, our Company’s management will have flexibility in applying the proceeds of this Offer. The fund requirement and deployment mentioned in the Objects of this Offer have not been appraised by any bank or financial institution.**

We intend to use entire Offer Proceeds towards meeting research and development, marketing activities, repayment of certain loans and general corporate purposes. Such deployment is based on certain assumptions and strategy which our Company believes to implement in near future. The funds raised from the Offer may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Offer Proceeds, please refer chapter titled “*Objects of the Offer*” beginning on page 100 of this Red Herring Prospectus. The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors.

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the

chapter titled “*Objects of the Offer*” beginning on page 100 of this Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Offer. Our Board of Directors along with the Audit Committee will monitor the utilization of the proceeds of this Offer and prepare the statement for utilization of the proceeds of this Offer.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the offer. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Offer or any shortfall in the Offer proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “*Objects of the Offer*” beginning on page 100 of this Red Herring Prospectus.

**45. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.**

Our Company has declared and paid dividends for the fiscals 2017, 2016, 2015, 2014 and 2013 on the Equity Shares at the rate of 10.00%, 5.00%, 5.00%, 5.00% and 5.00% respectively. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” on page 211 of this Red Herring Prospectus.

**46. Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.**

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

**47. The deployment of funds raised through this Offer shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.**

Since, the Offer size is less than Rs.10,000 lakh and as per the provisions of Regulation 16 (1) of the SEBI ICDR Regulations, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Offer. The deployment of these funds raised through this Offer, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Offer proceeds could adversely affect our financials.

However, our Audit Committee will monitor the utilization of the proceeds of this Offer and prepare the statement for utilization of the proceeds of this Offer. However, in accordance with Section 27 of

the Companies Act, 2013, a company shall not vary the objects of the Offer without our Company being authorise to do so by our shareholders by way of special resolution and other compliances as applicable in this regard. Our Promoter and controlling shareholder shall provide 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.

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

Our success is substantially dependent on the expertise and services of our Directors, Promoter and our Key Managerial Personnel (“KMP”). They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for KMP in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

**49. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Our Whole-time Director (including Vijay Gupta, our Chairman & Managing Director and Priti Gupta, our Whole-time Director) who are also our Key Managerial Personnel (“KMP”) have interests in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. Some of our Directors and KMP may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “*Capital Structure*” and “*Our Management*” on pages 75 and 184, respectively, of this Red Herring Prospectus.

**50. *Our Promoter and members of the Promoter Group will continue jointly to retain majority control over our Company after the Offer, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

As on the date of this Red Herring Prospectus, our Promoter and members of the Promoter Group hold 56.92% of the issued, subscribed and paid-up share capital of our Company. After completion of the Offer, our Promoter and Promoter Group will collectively own [●] % of the Equity Shares. As a result, our Promoter together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**51. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.***

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings.

Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

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

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although, we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Red Herring Prospectus.

**53. *The average cost of acquisition of Equity Shares by our Promoter is lower than the offer price.***

Our Promoter average cost of acquisition of Equity Shares in our Company is lower than the Offer Price as decided by the Company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares by our Promoter in our Company, please refer chapter title “*Capital Structure*” beginning on page 75 of this Red Herring Prospectus.

**54. *We face risks associated with currency exchange rate fluctuations.***

We export our products and receive sale proceeds in foreign currency. Foreign currency fluctuations may affect our Company’s profitability and additionally may also affect our ability to service our debt obligations. Given the complex global political and economic dynamics that affect exchange rate fluctuations, it is not viable to predict future fluctuations / devaluations and their effects. These fluctuations may have adverse effect on our reported results or our overall financial condition.

**55. *We have issued Equity Shares during the last 12 months at a price that are below the Offer price.***

We have issued certain Equity shares in the last twelve months at a price that are lower than the Offer price. Details of such issuances are given in the table below:

Date of Allotment	No. of Equity Shares	Offer price	Nature of allotment
February 6, 2018	35,25,638	Nil	Bonus Issue

For further details of equity shares issued, please refer to the section titled “*Capital Structure*” beginning on page no. 75 of the Red Herring Prospectus.

**OFFER RELATED RISK**

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

The Offer Price of our Equity Shares will be determined by book built method. This price is based on numerous factors (For further information, please refer chapter titled “*Basis for Offer Price*” beginning

on page 126 of this Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Offer. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price. Among the factors that could affect our share price include without limitation. The following:

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

**57. *Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

**58. *QIB and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

## **EXTERNAL RISK FACTORS**

### **INDUSTRY RISKS**

**59. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

### **OTHER RISKS**

**60. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Red Herring Prospectus.***

As stated in the reports of the Auditor included in this Red Herring Prospectus under chapter "Financial Statements as restated" beginning on page 212, the financial statements included in this Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Red

Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the Securities Transaction Tax (“STT”) has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

In Finance Bill 2017, Section 10(38) was amended to provide that exemption under this section for income arising on transfer of equity share acquired on or after 1st day of October 2004 shall be available only if the acquisition of share is chargeable to STT under Chapter VII of the Finance (No 2) Act, 2004. In this case, this provision becomes effective, sale shares acquired on or after 1st day of October 2004 on which STT was not charged will attract tax under provisions of Long Term Capital Gains

As per Finance Bill 2018, exemption under section 10(38) for income arising from long term gains on transfer of equity share shall not be available on or after 1st day of April 2018 if the long term capital gains exceeds Rs. 1,00,000/- p.a. Such income arising from long term gains on transfer of equity share on or after 1st day of April 2018 in excess of Rs. 1,00,000/- pa. shall be chargeable at the rate of 10%.

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 available under the applicable tax treaty or under the laws of their own jurisdiction.

**62. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.**

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- Goods and service tax; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

**63. *Financial instability in Indian financial markets could adversely affect our Company's results of operations and financial condition.***

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

**64. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The GoI has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**66. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

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

**67. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

**68. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.***

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

**69. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**70. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

**PROMINENT NOTES**

1. Public Issue of upto 28,51,200 Equity Shares for a cash at a price of Rs. [●] (including share premium of Rs. [●]) aggregating up-to Rs. [●] by our Company. The offer comprise of Fresh Issue of up-to 23,71,200 Equity Share aggregating up-to Rs. [●] by our Company and Offer for Sale of up-to 4,80,000 Equity Share aggregating up-to Rs. [●] by the Selling Shareholder of which 1,44,000 Equity Shares of face value of Rs. 10 each will be reserved for subscription by Market Maker to the Offer ("Market Maker Reservation Portion"). The Offer less the Market Maker Reservation Portion i.e. Net Offer of 27,07,200 Equity Shares of face value of Rs. 10 each is hereinafter referred to as the "Net Offer". The Offer and the Net Offer will constitute [●]% and [●]%, respectively of the post Offer paid up equity share capital of the Company.
2. Investors may contact the Book Running Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Offer. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "*General Information*" beginning on page 61 of this Red Herring Prospectus.

3. The pre-offer net worth of our Company was Rs. 3,300.25 lakhs as of October 31, 2017 and Rs. 3,082.92 lakhs for the year ended March 31, 2017. The book value of Equity Share before Bonus Shares was Rs. 93.60 as at October 31, 2017 and Rs. 87.43 as at March 31, 2017 as per the restated financial statements of our Company. For more information, please refer to section titled "*Financial Statements*" beginning on page 212 of this Red Herring Prospectus.
4. The average cost of acquisition per Equity Share by our Promoter is set forth in the table below:

<b>Name of the Promoter</b>	<b>No. of Shares held</b>	<b>Average cost of Acquisition (in Rs.)</b>
Vijay Gupta	36,81,234	1.98

For further details relating to the allotment of Equity Shares to our Promoter, please refer to the chapter titled "*Capital Structure*" beginning on page 75 of this Red Herring Prospectus.

5. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer "*Related Party Transaction*" under chapter titled "*Financial Statements as restated*" beginning on page 210 of this Red Herring Prospectus.
6. Investors may note that in case of over-subscription in the Offer, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled "*Offer Structure*" beginning on page 262 of this Red Herring Prospectus.
7. Except as disclosed in the chapter titled "*Capital Structure*", "*Our Promoter and Promoter Group*", "*Our Management*" and "*Related Party Transaction*" beginning on pages 75, 205, 184 and 210 respectively, of this Red Herring Prospectus, none of our Promoter, Directors or Key Management Personnel has any interest in our Company.
8. Except as disclosed in the chapter titled "*Capital Structure*" beginning on page 75 of this Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
10. Investors are advised to refer to the chapter titled "*Basis for Offer Price*" beginning on page 126 of the Red Herring Prospectus.
11. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of the Red Herring Prospectus with the stock exchange.

## **SECTION III. INTRODUCTION**

### **SUMMARY OF INDUSTRY**

The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLMs, or any of our or their respective affiliates or advisors. 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.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 22 and 212 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.

### **INTRODUCTION TO IT & ITeS INDUSTRY**

The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. The global IT & ITeS market (excluding hardware) reached US\$ 1.2 trillion in 2016-17, while the global sourcing market increased by 1.7 times to reach US\$ 173-178 billion. India remained the world's top sourcing destination in 2016-17 with a share of 55 per cent. Indian IT & ITeS companies have set up over 1,000 global delivery centres in over 200 cities around the world.

More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centres in India.

The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science. The Indian IT and ITeS industry is divided into four major segments – IT services, Business Process Management (BPM), software products and engineering services, and hardware.

India has come out on top with the highest proportion of digital talent in the country at 76 per cent compared to the global average of 56 per cent!.

(Source: IT & ITeS Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

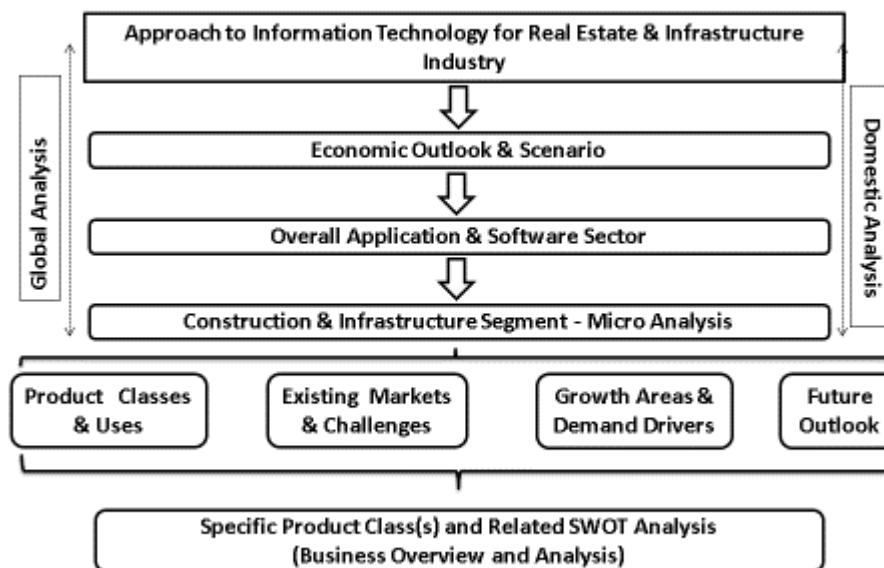
### **APPROACH TO INFORMATION TECHNOLOGY FOR REAL ESTATE & INFRASTRUCTURE INDUSTRY ANALYSIS**

Analysis of Information Technology for Real Estate & Infrastructure Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Information Technology for Real Estate & Infrastructure Industry forms part of Software Sector at a macro level. Hence, broad picture of IT Sector should be at preface while analysing the Information Technology for Real Estate & Infrastructure Industry.

Software Sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Software Sector is “IT Industry”, which in

turn encompasses various segments such as Information Technology for Real Estate & Infrastructure.

Thus, the micro analysis of segments such as Information Technology for Real Estate & Infrastructure should be analysed in the light of “Construction & Infrastructure Sector” at large. An appropriate view on Software for Construction & Infrastructure Segment, then, calls for the overall economic outlook, performance and expectations of Software Sector, position of IT Industry and micro analysis thereof.



This Approach Note is developed by Pantomath Capital Advisors (P) Ltd (“Pantomath”) and any unauthorized reference or use of this Note, whether in the context IT for Real Estate & Infrastructure Industry or any other industry, may entail legal consequences.

## GLOBAL ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach \$61 per barrel by the end of the year.

Even as global growth and commodity prices have surged, inflation has remained remarkably quiescent, remaining below 2 percent in the main advanced regions. Consequently, monetary policies in the US, Eurozone and Japan have remained highly accommodative despite a strong recovery. These unusual settings—rapid growth, ultra-low interest rates—at a late stage in the economic cycle have produced the rarest of combinations: record-high bond prices and stock market valuations, both at the same time. The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary fiscal policies, while advanced country monetary policies remain stimulative and world trade continues to grow briskly.

What are the risks? Of course, there are the usual geo-political and geo-economic risks: war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) in advance of the planned listing of the Saudi Arabian oil company, Aramco, which could force oil prices even higher; a final reckoning from China's unprecedented credit surge in the form of capital controls, slowdown in growth, and a sharply depreciating currency with consequences for the global economy (Economic Survey, 2016-17, Chapter 1); and trade tensions that could lead to skirmishes, and then spiral out of control. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:

- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.
- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates rise—or if markets even sense that central banks will need to shift their stance—both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

What would happen to growth if asset prices correct? Surely, the impact would be far smaller than it was in 2007-09, because advanced countries are far less vulnerable than they were a decade ago. In particular, the leverage tied to these assets is much lower, which would minimize contagious propagation; while banks are much better buffered, with higher levels of capital and core deposits, and lower levels of risky assets.

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

In sum, assessing future risks hinges on two calls: interest rate policy and asset valuations. On policy, extraordinarily low rates have, to paraphrase Paul Krugman, become “an obsession in search of a justification.” Initially justified by the dislocations caused by the Global Financial

Crisis, then by large output gaps, they are now defended on the grounds that inflation remains weak, even as the slack in product and labor markets is disappearing rapidly. Will the gathering new evidence on closing output gaps and rising employment dispel that obsession?

On valuations, the prognosticator must navigate a narrow strait: steering clear of the “Cry of Wolf” trap (bond prices will finally, finally correct, having defied the prediction of correction in each of the last several years), without succumbing to the siren call of “This Time is Different” (stock valuations are sustainable this time because interest rates will remain at historic lows).

(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

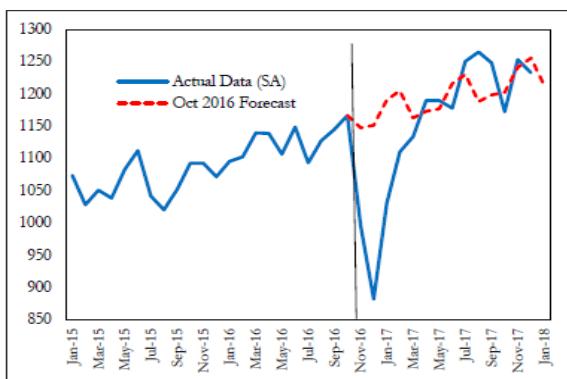
## OVERVIEW OF INDIA'S ECONOMIC PERFORMANCE IN 2017-18

### Economic activity

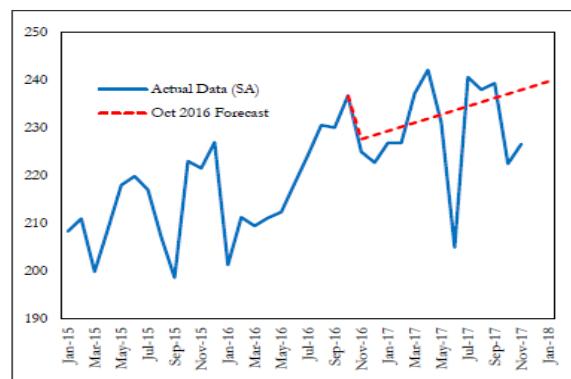
The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).

**Figure 19. Sale of Motorcycles  
(Seasonally adjusted, in thousands)**



**Figure 20. Sale of Passenger Cars  
(Seasonally adjusted, in thousands)**

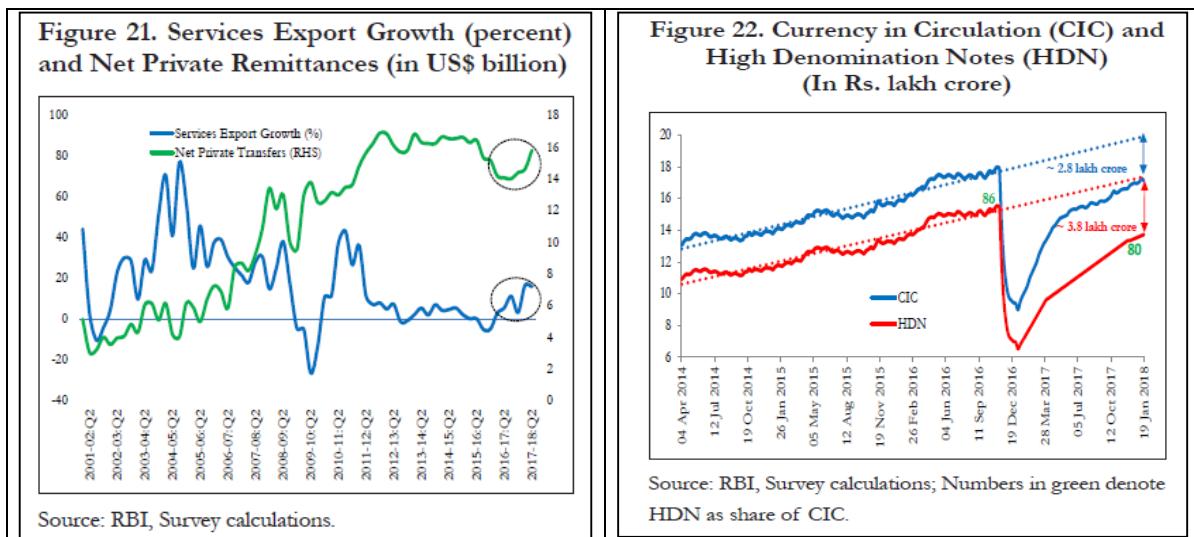


Source: Society for Indian Automobile Manufacturers, Survey calculations.

Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to

that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh Crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakh Crores less high denomination notes (2.5 percent of GDP).

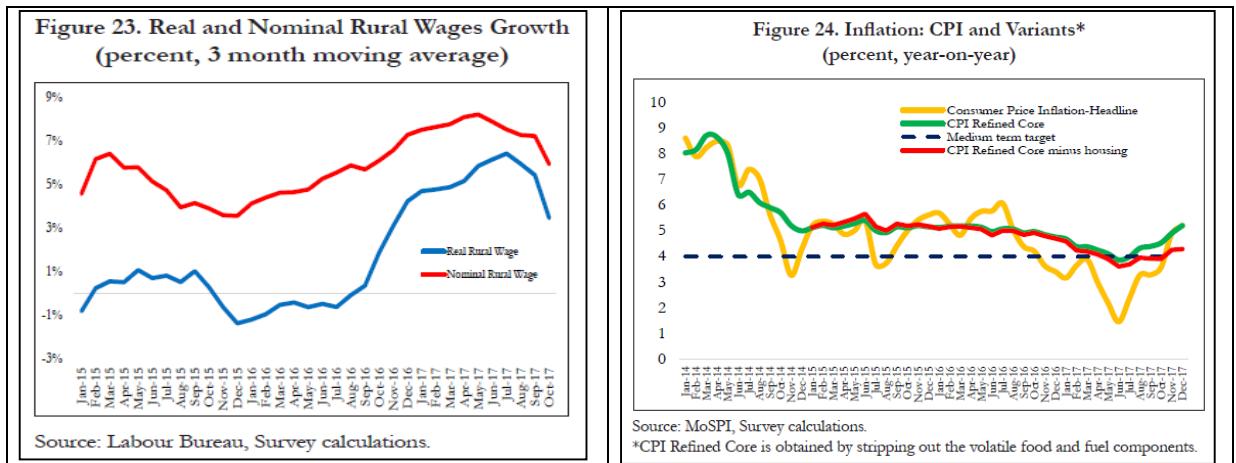


A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest (Box 6). In other words, the twin engines that propelled the economy's take-off in the mid-2000s – exports and investment – are continuing to run below take-off speed.

Meanwhile, developments in the agriculture sector bear monitoring. The trend acceleration in rural wages (agriculture and non-agriculture), which had occurred through much of 2016 because of increased activity on the back of a strong monsoon, seems to have decelerated beginning just before the kharif season of 2017-18 (Figure 23) but it is still greater than much of the last three years. Three crop-specific developments are evident. Sowing has been lower in both kharif and rabi, reducing the demand for labor. The acreage for kharif and rabi for 2017-18 is estimated to have declined by 6.1 percent and 0.5 percent, respectively. Pulses and oilseeds have seen an increase in sowing, but this has translated into unusually low farmgate prices (below their minimum support price, MSP), again affecting farm revenues. The so-called TOP perishables (tomatoes, onions, and potatoes) have meanwhile fluctuated between high and low prices, engendering income uncertainty for farmers.

The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.



Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. This implies average CPI inflation in the last quarter of 5 percent, in line with the RBI's forecast. Therefore, the GDP deflator is expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSO's forecast of 2.8 percent. Consequentially, nominal GDP growth is estimated at 10.5 percent, compared with the CSO's 9.5 percent estimate.

(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## SUMMARY OF BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “*Forward-Looking Statements*” beginning on page 20 of this Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “*Risk Factors*” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year. The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in the sections titled “*Risk Factors*” and “*Financial Information*” beginning on pages 22 and 212, respectively.

## OVERVIEW

Our Company was incorporated as “SoftTech Engineers Private Limited” under the provisions of Companies Act 1956 vide Certificate of Incorporation dated June 17, 1996 at Ahmedabad, Gujarat bearing registration no. 04-29960 of 1996-97. The Registered office of our Company was originally situated at 1008, City Center, A.C. Market, Parle Point, Surat. The Registered office of our Company was subsequently shifted to 1<sup>st</sup> Floor, Balaji House, Opposite Telephone Exchange, Bajirao Road, Pune – 411030, Maharashtra pursuant to a special resolution passed by the shareholders of our Company at its Extra-ordinary general meeting held on July 18, 2000 and the order passed by the Company Law Board, Western Region Bench, Mumbai dated October 12, 2001. A certificate of registration of the order of the Company Law Board dated October 12, 2001 confirming transfer of the registered office from State of Gujarat to the State of Maharashtra was issued by the Registrar of Companies, Pune on January 29, 2002. .The Registered office of our Company was once again shifted to 259, Butte Patil Complex, Dashbhuja Ganpati, Karve Road, Pune – 411030 pursuant to Board resolution dated May 5, 2003. The Registered office of our Company was once again shifted to 'The Pentagon', Unit No. 5A, Near Satara Road Telephone Exchange, Shahu College Road, Parvati, Pune 411009 pursuant to Board resolution dated September 1, 2005. The name of our Company was subsequently changed to “SoftTech Engineers Limited” pursuant to special resolution passed by the shareholders of our Company at the Extra-ordinary general Meeting held on February 22, 2018 and a fresh certificate of incorporation consequent upon conversion from Private Company to Public Company was issued by the RoC, Pune on March 1, 2018. The corporate identity number of the Company is U30107PN1996PLC016718.

Our Company started in the year 1996 as a software product innovation company which caters to the Architecture, Engineering and Construction (“AEC”) verticals. ‘Innovation’ is the key to any business and our products are innovative across the entire value chain in the construction industry. Our Company is partnering the government in its mission - “Ease of Doing Business” by associating ourselves as a “Smart City Solution Provider” meeting the requirements of the automation in Architecture, Engineering & Construction (AEC) verticals using our expertise in IT. Our Company has been specialising in developing product for e-governance and construction ERP products for smart city projects, municipal corporations, urban local bodies, development authorities and work organizations. Our Company also offers 2D and 3D CAD based intelligent and machine learning driven technology which eliminates entire human intervention along with providing Cloud Technology enabled products offered as “SaaS”.

Our Company started by launching its first product – STRUDS in the year 1996, which was used for

**Structural Analysis and Designing.** In the year 2000, we launched another product, ESRGSR, which was also used on the same line. With growing acceptance of our products, we received a Venture Capital funding from SIDBI Venture Capital in year 2003. Between the year 1997 – 2011, various updated versions of our product STRUDS were released. Both our products viz., STRUDS and ESR GSR were acquired in year 2011 by CSC (UK) Limited.

Meanwhile, our Company had already launched two new products viz., PWIMS and AutoDCR which have been the flagship products of our Company since its launch in the year 2004 and 2005 respectively. **PWIMS** provides a complete online solution to Public Works Department (PWD) for e-procurement and work management. **AutoDCR** is a software for automation of building permits approvals which is used by the government authorities in scrutinizing and automating the building permits based on the CAD based building plan which works on an online system and environment. Riding on the success of these products, our Company in year 2010 launched, **OPTICON** which caters to the needs of construction contractors and real estate companies by helping them in cost estimating, construction management and overall automation. Our success has again been entrusted by another VC funding round from Rajasthan Venture Capital Fund in the year 2014 which acquired 26.77% stake in our Company. Our Company is certified and ascertained as an ISO 9001:2008 and ISO 9001:2015 for development and marketing of software products and IT solutions.

Our Company has strategic business alliances with key organizations such as – Microsoft and Autodesk. All these partnerships helps our Company to provide integrated and seamless solutions to our customers and boost the solutions through technological advancements.

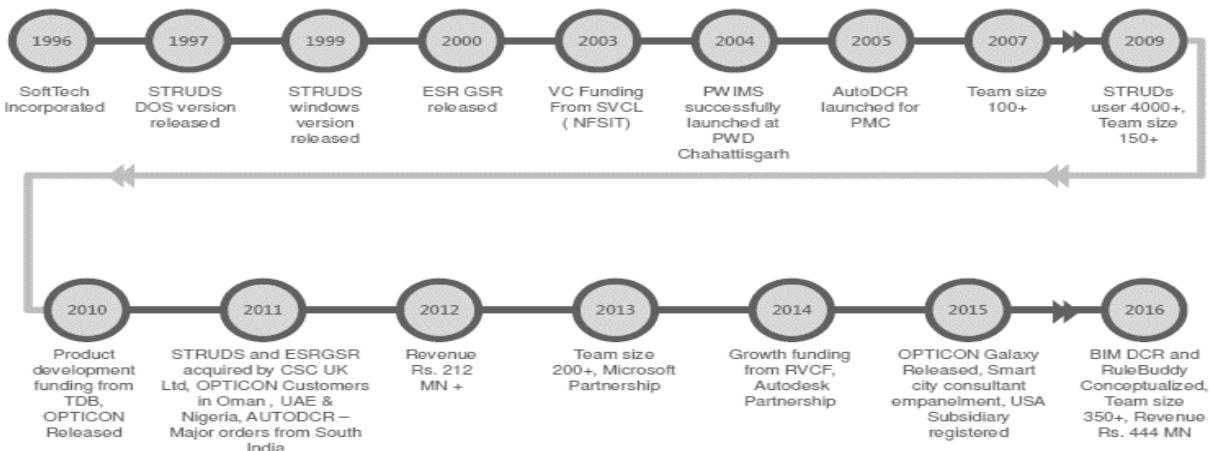
Our Company was founded by Mr. Vijay Gupta who is an IIT Mumbai Alumni and has an experience of more than 3 decade in the industry. He is also the promoter of the Company and is being supported by an experienced and educated management team. Mr. Vijay Gupta along with his adequately experienced team is actively and fully involved in day-to-day affairs of our Company's operations. The experience of our Company's management is reflected in Company's operational performance where earlier products having been acquired by foreign company, receiving venture capital funding and current products being widely accepted.

Our Company has a human capital asset of 433 and with their consistent and sustained effort ensure positive business outcomes for our clients through constant innovation in our products. Our team has the experience and perspective to understand executive-level business requirements and transform them into ROI-driven solutions. We earn our revenue based on License fees, BOT model, servicing and support fees, one time set-up fees, Annual Maintenance Contract and continuous development fees.

#### **Our Company's location is as below:**

**Registered Office:** The Pentagon, Unit-5A, 5<sup>th</sup> Floor, Next to Satara Road, Telephone Exchange, Shahu College Road, Pune – 411 009, Maharashtra, India.

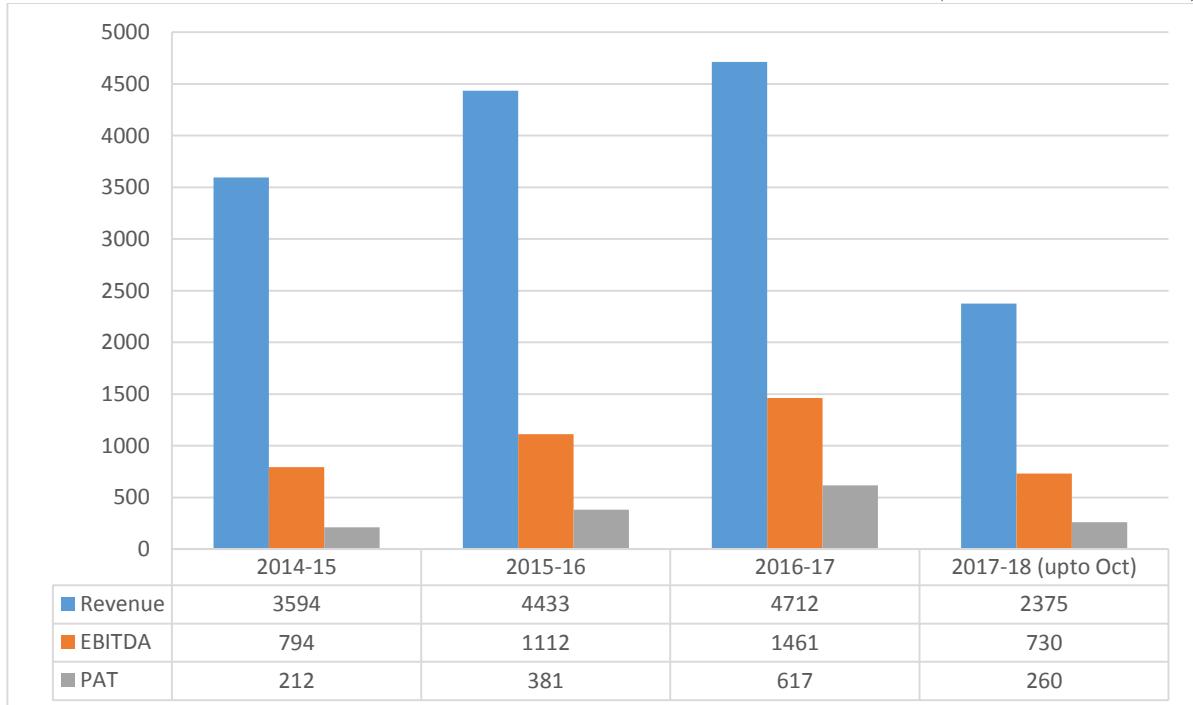
#### **TIMELINE OF THE COMPANY**



## FINANCIAL SNAPSHOT

Details of Revenue, EBITDA and PAT from year 2014-15 to Current Period ending Oct'17 is as under:

(Amount in Rs. Lakhs)



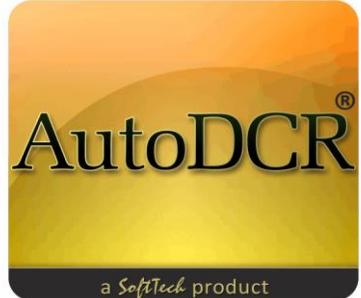
Product wise revenue for our company is as under:

(Amount in Rs. Lakhs)

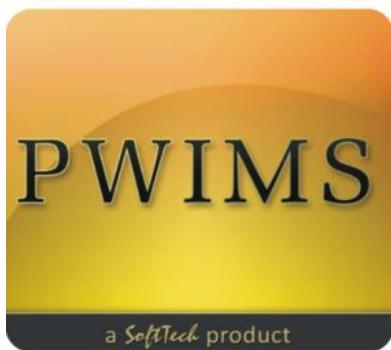
Products	Apr'17 – Oct'17	FY 2016-17	FY 2015-16	FY 2014-15
AutoDCR	1,205.81	2,777.73	2,032.91	1,245.67
PWIMS	458.23	937.63	635.61	583.74
Opticon	402.62	62.57	184.62	424.26
Others	281.51	893.89	1,545.83	1,271.78
<b>Revenue from Operations</b>	<b>2,348.17</b>	<b>4,671.82</b>	<b>4,398.97</b>	<b>3,525.45</b>

## OUR PRODUCTS / SERVICES

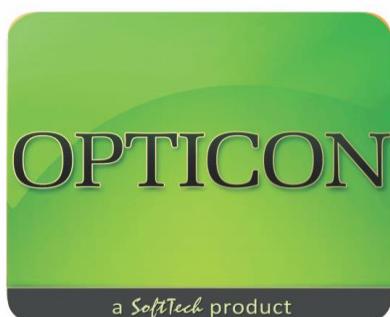
Product	Description
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**AutoDCR** is an innovative solution boosting Smart City projects by automating building and layout plan approval which reads 2D CAD drawings and maps them to Development Control Regulation (DCR) of Urban Local Bodies (ULB) and other approving authorities who are integrated with online approval workflow to monitor the approval process with associated document scrutiny. AutoDCR is majorly used by Municipal Corporations, Industrial Development Corporations and Development Authorities. This reduces human intervention and at the same time reduces time required for approval drastically which further helps the authorities on “Ease of Doing Business” rankings. Further, there is increased transparency and uniformity in the work flow.



**PWIMS** is an integrated works and procurement management software which is used for managing the core functional process of works planning, procurement and maintenance in public work organizations. The services in this software includes Budget and Estimate management, Tenders & Project management, Asset & Inventory management, Finance & Accounts management and HR management. Further, it generates real-time MIS reports for the organizations. Main users of this product is State PWD, Urban Development authorities, Municipal corporations, Housing development boards, Infrastructure Development Corporations among others.



**OPTICON** is an Enterprise Resource Planning (ERP) software which combines enterprise technologies with nearly 20 years of construction industry domain experience into an integrated system. The product aims at optimizing construction process. The services in the product includes detailed tender bid management, cost estimation for the project, managing timeline and schedules, generating MIS reports on real-time basis, managing inventory and purchase records, client billing among others. With growing infrastructural and construction activities, it aims at reducing the workload of construction companies and reducing their project completion time saving their overall cost.

## OUR PRODUCTS / SERVICES UNDER DEVELOPMENT

Product	Description
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**BIM-DCR** is an upcoming product which is a new and updated version of AutoDCR with a new 3D BIM based technology. The product is currently under R&D phase. BIMDCR will serve the same set of customers but with advanced technology which will serve the purpose of Smart City projects. It is an innovative 3D Building Model based Online Single window system. It is BIM integrated Building Approval System which enables automatic scrutiny of building proposal by reading Building Models submitted by Applicant. This will help to better coordination between different departments providing approvals and ensure comments by different stake holders on single model thereby detect clashes at earlier stage. BIM model approach will help development authorities track unauthorised construction.



**RuleBuddy** is another upcoming product by our Company which is currently in R&D phase. It is an e-commerce platform which aims to help customers solve their queries prior to commissioning of any construction activities for particular area. By leveraging the database of AutoDCR and technical expertise in the construction industry, it will analyse and assess the feasibility of any construction activity, further validating DC rules, NOC fees and other documentary requirements. The key users for this product will be Project owners, project developers, construction companies, architects, engineers among others.

**Integrated Building Permits System (IBPS)** is another upcoming product by our Company which is also in R&D phase. IBPS provides innovative, intelligent and collaborative platform to accelerate the approval of building projects. It automates and simplifies the building plan/model scrutiny processes, document management, approval workflow and verification of the parameters defined in the city map. It uses technology like Internet of Things (IoT), Virtual Reality/Augmented Reality, Machine Learning and AI tools. It consists of various modules for proposal creation, collaborative verification, virtual site visits and audit, workflow and online collaboration, progress monitoring and tracking, analytical reports, etc. It is useful for private consultants, corporations, government organizations among others. With these products, our Company will be catering to full value chain of any construction activity through automation resulting in effective governance, reduced approvals time, lower cost of investment, anywhere access to construction related information, digitalization of the entire process and thereby facilitation the authorities to increase their ranking in “Ease of Doing Business”.

## **SUMMARY FINANCIAL INFORMATION**

<b>Particulars</b>	<b>Page No.</b>
Restated Financial Statements	A1-A3

SoftTech Engineers Limited

(Amount in ₹ lakhs)

Annexure 1: Restated Summary Statement of Assets and Liabilities

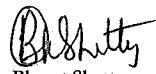
Particulars	Annexure	As at 31 October 2017	As at 31 March				
			2017	2016	2015	2014	2013
<b>Equity and liabilities</b>							
<b>Shareholders' funds</b>							
Share capital	5	352.56	352.56	352.56	344.35	301.30	249.66
Reserves and surplus	6	2,947.69	2,730.36	2,134.86	1,780.82	1,141.30	377.31
		<b>3,300.25</b>	<b>3,082.92</b>	<b>2,487.42</b>	<b>2,125.17</b>	<b>1,442.60</b>	<b>626.97</b>
<b>Non-current liabilities</b>							
Long-term borrowings	7	790.87	883.59	1,119.65	725.20	968.56	810.94
Deferred tax liabilities (net)	8	-	-	-	14.54	29.68	27.54
Other long-term liabilities	9	1.00	1.00	0.50	0.50	0.51	0.51
Long-term provisions	10	45.41	40.08	32.07	27.70	13.72	11.77
		<b>837.28</b>	<b>924.67</b>	<b>1,152.22</b>	<b>767.94</b>	<b>1,012.47</b>	<b>850.76</b>
<b>Current liabilities</b>							
Short-term borrowings	7	621.39	426.84	342.70	148.10	233.22	107.15
Trade payables	11	-	-	-	-	-	-
- total outstanding dues of micro and small enterprises							
- total outstanding dues other than micro and small enterprises		859.78	562.00	846.99	446.58	250.61	77.77
Other current liabilities	12	1,005.50	1,020.75	801.59	459.19	458.06	340.91
Short-term provisions	10	19.38	36.49	105.12	61.36	32.99	9.31
		<b>2,506.05</b>	<b>2,046.08</b>	<b>2,096.40</b>	<b>1,115.23</b>	<b>974.88</b>	<b>535.14</b>
<b>Total</b>		<b>6,643.58</b>	<b>6,053.67</b>	<b>5,736.04</b>	<b>4,008.34</b>	<b>3,429.95</b>	<b>2,012.87</b>
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	13	127.89	179.57	257.32	331.91	249.33	190.05
Intangible assets	14	571.12	739.10	574.87	682.07	414.03	381.84
Capital work-in-progress		506.91	230.44	368.25	129.21	212.35	239.89
Non-current investments	15	3.80	3.80	3.80	32.45	32.45	32.45
Deferred tax assets (net)	8	59.02	44.48	13.44	-	-	-
Long-term loans and advances	16	148.42	183.22	93.20	61.36	54.53	82.05
Other non-current assets	17	548.28	666.88	636.69	428.11	162.55	27.99
		<b>1,965.44</b>	<b>2,047.49</b>	<b>1,947.57</b>	<b>1,665.11</b>	<b>1,125.24</b>	<b>954.27</b>
<b>Current assets</b>							
Trade receivables	18	2,490.38	1,745.64	2,218.74	1,844.88	1,438.22	700.96
Cash and bank balances	19	20.70	325.94	134.09	23.84	533.23	113.14
Short-term loans and advances	16	188.13	169.90	116.73	62.81	28.93	41.32
Other current assets	20	1,978.93	1,764.70	1,318.91	411.70	304.33	203.18
		<b>4,678.14</b>	<b>4,006.18</b>	<b>3,788.47</b>	<b>2,343.23</b>	<b>2,304.71</b>	<b>1,058.60</b>
<b>Total</b>		<b>6,643.58</b>	<b>6,053.67</b>	<b>5,736.04</b>	<b>4,008.34</b>	<b>3,429.95</b>	<b>2,012.87</b>

Note:

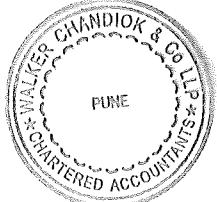
The above statement should be read with the Statement of Notes to Restated Financial Information in Annexure 4.

As per our report of even date attached.

For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

  
Bharat Shetty  
Partner

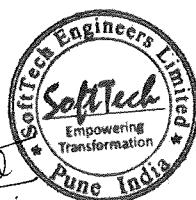
Place : Pune  
Date : 12 April 2018



For and on behalf of the Board of Directors

  
Vijay Gupta  
Managing Director  
(DIN No. 1653314)

Place : Pune  
Date : 11 April 2018



  
Priti Gupta  
Director  
(DIN No. 1735673)

SoftTech Engineers Limited

Annexure 2: Restated Summary Statement of Profit and Loss

(Amount in ₹ lakhs)

Particulars	Annexure	1 April 2017 to 31 October 2017	For the year ended 31 March				
			2017	2016	2015	2014	2013
<b>Revenue</b>							
Revenue from operations	21	2,348.17	4,671.83	4,398.98	3,525.45	2,561.91	2,126.64
Other income	22	26.91	39.80	33.55	68.91	5.69	68.99
<b>Total revenue</b>		<b>2,375.08</b>	<b>4,711.63</b>	<b>4,432.53</b>	<b>3,594.36</b>	<b>2,567.60</b>	<b>2,195.63</b>
<b>Expenses</b>							
Cost of materials consumed		2.30	9.35	4.75	4.85	2.61	4.54
Purchase of stock-in-trade		232.46	714.23	1,364.89	1,156.53	544.36	1,237.27
Employee benefits expense	23	484.81	808.80	582.56	331.37	306.29	266.37
Finance costs	24	136.91	237.32	199.99	142.67	156.08	86.85
Depreciation and amortisation expense	25	225.15	373.65	362.11	302.98	238.52	123.33
Other expenses	26	925.19	1,717.90	1,368.48	1,307.45	964.41	345.94
<b>Total expenses</b>		<b>2,006.82</b>	<b>3,861.25</b>	<b>3,882.78</b>	<b>3,245.85</b>	<b>2,212.27</b>	<b>2,064.30</b>
<b>Profit before tax</b>		<b>368.26</b>	<b>850.38</b>	<b>549.75</b>	<b>348.51</b>	<b>355.33</b>	<b>131.33</b>
<b>Tax expense</b>							
Current tax		123.03	264.70	196.84	151.36	99.05	29.92
Deferred tax (credit)/charge		(14.54)	(31.04)	(27.98)	(15.14)	2.14	3.59
<b>Profit for the period / year</b>		<b>259.77</b>	<b>616.72</b>	<b>380.89</b>	<b>212.29</b>	<b>254.14</b>	<b>97.82</b>

Note:

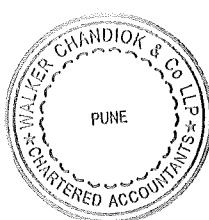
The above statement should be read with the Statement of Notes to Restated Financial Information of the Company in Annexure 4.

As per our report of even date attached.

For Walker Chandiol & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

Bharat Shetty  
Partner

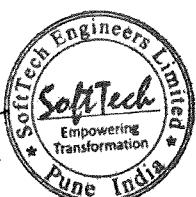
Place : Pune  
Date : 12 April 2018



For and on behalf of the Board of Directors

Vijay Gupta  
Managing Director  
(DIN No. 1653314)

Place : Pune  
Date : 11 April 2018



Priti Gupta  
Director  
(DIN No. 1735673)

Place : Pune  
Date : 11 April 2018

SoftTech Engineers Limited

Annexure 3: Restated Summary Statement of Cash Flows

(Amount in ₹ lakhs)

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
<b>A. Cash flow from operating activities</b>						
Profit before tax, as restated	368.26	850.38	549.75	348.51	355.33	131.33
Adjustments for :						
Depreciation and amortisation expense	225.15	373.65	362.11	302.98	238.52	123.33
Unrealised loss / (gain) on foreign currency transactions and translations (net)	1.05	2.30	-	(3.25)	3.65	(2.93)
Finance costs	127.88	236.35	192.20	142.04	154.95	86.85
Bad debts written off	-	3.32	26.16	109.35	32.44	60.59
Investments written off	-	-	28.65	-	-	-
Credit balances written back	-	(6.52)	-	(16.75)	(1.37)	(58.30)
Provision for doubtful debts	-	0.68	2.28	57.86	-	-
Dividend income	-	(0.50)	-	(0.03)	(0.03)	(0.05)
Interest income on deposits	(19.64)	(30.77)	(19.25)	(35.79)	(4.22)	(6.53)
<b>Operating profit before working capital changes</b>	<b>702.70</b>	<b>1,428.89</b>	<b>1,141.90</b>	<b>904.92</b>	<b>779.27</b>	<b>334.29</b>
<b>Changes in working capital:</b>						
Increase / (decrease) in trade payables, liabilities and provisions	285.01	(91.70)	556.70	239.87	296.03	(179.73)
(Increase) / decrease in trade receivables	(745.79)	466.80	(402.30)	(570.64)	(773.35)	82.72
Decrease / (Increase) in loans and advances and other assets	(31.95)	(526.95)	(1,153.31)	(238.01)	(56.51)	(151.87)
<b>Cash generated from operations</b>	<b>209.97</b>	<b>1,277.04</b>	<b>142.99</b>	<b>336.14</b>	<b>245.44</b>	<b>85.41</b>
Less : Income taxes paid	(147.87)	(333.83)	(190.73)	(118.95)	(77.67)	(32.78)
<b>Net cash generated from/ (utilised in) operating activities (A)</b>	<b>62.10</b>	<b>943.21</b>	<b>(47.74)</b>	<b>217.19</b>	<b>167.77</b>	<b>52.63</b>
<b>B. Cash flow from investing activities</b>						
Purchase of property, plant and equipment, intangible assets and capital work in progress	(281.96)	(322.33)	(419.36)	(585.58)	(302.45)	(303.13)
Fixed deposits (placed)/ realised including movement in balance in	103.21	(190.44)	(18.29)	(161.93)	(136.74)	33.83
Interest received	1.86	1.62	16.76	22.10	1.67	25.94
Dividend received	-	0.50	-	0.03	0.03	0.05
<b>Net cash utilised in investing activities (B)</b>	<b>(176.89)</b>	<b>(510.65)</b>	<b>(420.89)</b>	<b>(725.38)</b>	<b>(437.49)</b>	<b>(243.31)</b>
<b>C. Cash flow from financing activities</b>						
Repayment of long-term borrowings	(312.63)	(491.65)	(268.89)	(234.49)	(241.92)	(148.79)
Proceeds from long-term borrowings	227.00	300.00	871.57	-	400.35	383.08
Dividend paid (including dividend distribution tax paid)	(42.44)	(21.22)	(18.64)	(14.61)	(14.51)	(14.51)
Proceeds from / (repayment of) short-term borrowings (net)	194.55	84.14	194.60	(85.12)	126.07	(94.75)
Interest paid	(129.72)	(239.36)	(199.76)	(166.99)	(156.18)	(74.96)
Proceeds from issuance of shares	-	-	-	500.01	576.00	-
<b>Net cash generated from/ (utilised in) financing activities (C)</b>	<b>(63.24)</b>	<b>(368.09)</b>	<b>578.88</b>	<b>(1.20)</b>	<b>689.81</b>	<b>50.07</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(178.03)</b>	<b>64.47</b>	<b>110.25</b>	<b>(509.39)</b>	<b>420.09</b>	<b>(140.61)</b>
Cash and cash equivalents at the beginning of the period/ year	198.56	134.09	23.84	533.23	113.14	253.75
<b>Cash and cash equivalents at the end of the period/ year</b>	<b>20.53</b>	<b>198.56</b>	<b>134.09</b>	<b>23.84</b>	<b>533.23</b>	<b>113.14</b>
<b>Cash and cash equivalents comprise:</b>						
Cash on hand	11.50	7.95	8.52	1.79	1.34	3.42
Balances with banks in current accounts	9.03	190.61	125.57	22.05	531.89	109.72
<b>Total</b>	<b>20.53</b>	<b>198.56</b>	<b>134.09</b>	<b>23.84</b>	<b>533.23</b>	<b>113.14</b>

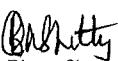
Note:

The above statement should be read with the Statement of Notes to Restated Financial Information of the Company in Annexure 4.

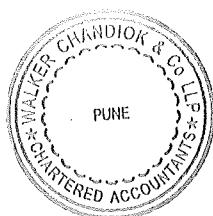
The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013.

As per our report of even date attached

For Walker Chandiok & Co LLP  
Chartered Accountants

  
Bharat Shetty  
Partner

Place: Pune  
Date: 12 April 2018



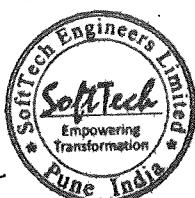
For and on behalf of the Board of Directors

  
Vijay Gupta  
Managing Director  
(DIN No. 1653314)

  
Priti Gupta  
Director  
(DIN No. 1735673)

Place: Pune  
Date: 11 April 2018

Place: Pune  
Date: 11 April 2018



## THE OFFER

The following table summarizes the Offer details:

<b>Particulars</b>	<b>Details of Equity Shares</b>
Offer of Equity Shares by our Company	Upto 28,51,200 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●]/- per Equity share aggregating to Rs. [●] Lakhs.
<b>Consisting Of:</b>	
<b>Fresh Issue</b>	Upto 23,71,200 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●]/- per Equity Shares.
<b>Offer for sale</b>	Upto 4, 80,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●]/- per Equity Shares.
<b>The Offer Consists of:</b>	
Market Maker Reservation Portion	Upto 1,44,000 Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share reserved as Market Maker Portion.
Net Offer to Public	Upto 27,07,200 Equity Shares of ` 10/- each at a price of ` [●] per Equity Share.
<b>Of which</b>	
QIB Portion	QIB Portion being 49.94% of the Net Offer aggregating upto [●] Equity Shares.
<b>Of which</b>	
Available for allocation to Mutual Funds only (5% of the QIB Portion)	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non- Institutional Portion	Non-Institutional Portion of not less than 15% of the Net Offer aggregating to not less than [●] Equity Shares
Retail Portion	Retail Portion of not less than 35% of the Net Offer aggregating to not less than [●] Equity Shares
<b>Pre and Post Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer	70, 51,276 Equity Shares of face value of Rs.10 each.
Equity Shares outstanding after the Offer	[●] Equity Shares of face value of Rs.10 each.
Use of proceeds of this Offer	For details please refer chapter titled " <i>Objects of the Offer</i> " beginning on page 100 of this Red Herring Prospectus for information on use of Offer Proceeds.

### Notes

- The present Offer has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on March 03, 2018 and by the shareholders of our Company *vide* a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on March 07, 2018.
- This Offer is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as

amended from time to time. The present Offer is being made by our Company in terms of Regulation 106M (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post-Offer paid-up equity share capital of our Company are being offered to the public for subscription.

1. In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price;
  2. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non- Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.
  3. Such number of Equity Shares representing 49.94% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Offer Price.
- Selling Shareholder has approved offer for sale of Equity Shares pursuant to a resolution passed by its Board of Directors on March 27, 2018 and has conveyed its intention to participate in the Offer for Sale vide its transmittal letter dated March 28, 2018.:

<b>Sr. No.</b>	<b>Name of the Selling Shareholder</b>	<b>No. of Equity Shares Equity Shares Offered</b>
1.	Rajasthan Trustee Company Private Limited A/c SME Tech Fund RVCF Trust II	Upto 4,80,000

For further details please refer to section titled '*Offer Information*' beginning on page 262 of this Red Herring Prospectus.

## **GENERAL INFORMATION**

Our Company was incorporated as SoftTech Engineers Private Limited under the provisions of Companies Act 1956 vide Certificate of Incorporation dated June 17, 1996 at Ahmedabad, Gujarat bearing registration no. 04-29960 of 1996-97. The Registered office of our Company was originally situated at 1008, City Center, A.C. Market, Parle Point, Surat. The Registered office of our Company was subsequently shifted to 1<sup>st</sup> Floor, Balaji House, Opposite Telephone Exchange, Bajirao Road, Pune – 411030, Maharashtra pursuant to a special resolution passed by the shareholders of our Company at its extra-ordinary general meeting held on July 18, 2000 and the order passed by the Company Law Board, Western Region Bench, Mumbai dated October 12, 2001. A certificate of registration of the order of the Company Law Board dated October 12, 2001 confirming transfer of the registered office from State of Gujarat to the State of Maharashtra was issued by the Registrar of Companies, Pune on January 29, 2002. The Registered office of our Company was once again shifted to 259, Butte Patil Complex, Dashbhuja Ganpati, Karve Road, Pune – 411030 pursuant to Board resolution dated May 5, 2003. The Registered office of our Company was once again shifted to 'The Pentagon', Unit No. 5A, Near Satara Road Telephone Exchange, Shahu College Road, Parvati, Pune 411009 pursuant to Board resolution dated September 1, 2005. The name of our Company was subsequently changed to SoftTech Engineers Limited pursuant to special resolution passed by the shareholders of our Company at the EGM held on February 22, 2018 and a fresh certificate of incorporation consequent upon conversion from Private Company to Public Company was issued by the RoC, Pune on March 1, 2018. The corporate identity number of the company is U30107PN1996PLC016718. For details of Incorporation, Change in the Name and Registered Office of our Company, please refer to the chapter titled "***Our History and Certain Other Corporate Matters***" beginning on page 176 of this Red Herring Prospectus.

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

#### **SoftTech Engineers Limited**

'The Pentagon',  
Unit No. 5A,  
Near Satara Road Telephone Exchange,  
Shahu College Road,  
Parvati, Pune 411009  
Maharashtra, India

**CIN:** U30107PN1996PLC016718

**Website:** [www.softtech-engr.com](http://www.softtech-engr.com)

**Email id:** [investors@softtech-engr.com](mailto:investors@softtech-engr.com)

**Tel. No:** +91 – 020 - 24218747

**Facsimile:** +91-020 - 24218747

### **Registrar of Companies**

#### **Registrar of Companies, Pune**

PMT Building,  
Pune Stock Exchange,  
3rd Floor, Deccan Gymkhana,  
Pune-411004  
Maharashtra, India

### **Designated Stock Exchange**

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

Exchange Plaza, C-1, Block G

BandraKurla Complex, Bandra (E)  
Mumbai 400 051  
Maharashtra, India

### **Board of Directors**

Our Company's Board comprises of the following Directors:

<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Age</b>	<b>Residential Address</b>
Mr. Vijay Gupta	Chairman & Managing Director	01653314	55 years	Flat No. B1 – 503, GaganVihar, Bibwewadi Kondhwa Road, Near Market Yard, Pune 411037, Maharashtra
Mrs. Priti Vijay Gupta	Whole-time Director	01735673	52 years	Flat No. B1 – 503, GaganVihar, Bibwewadi Kondhwa Road, Near Gangadham Market Yard, Pune 411037, Maharashtra
Mr. Rahul Gupta	Non-Executive Independent Director	00024732	51 years	House No. 42, Sector 21B, Faridabad – 121001, Haryana
Mr. Ravi Mathur	Non-Executive Nominee Director	01777668	47 years	29, Sanjay Marg, Hathroi Port, Near Vidyayak Puri Police Station, Jaipur – 302001, Rajasthan
Mr. Sridhar Pillalamarri	Non-Executive Independent Director	00026018	58 years	A-302, August Park, 1 <sup>st</sup> B Cross, Kaggadasapura Main Road, CV Raman Nagar, Bengaluru – 560093, Karnataka

For further details of the Board of Directors, please refer to the chapter titled "***"Our Management"*** beginning on page 184 of this Red Herring Prospectus.

### **Company Secretary and Compliance Officer**

**Aishwarya Patwardhan**  
**SoftTech Engineers Limited**  
'The Pentagon',  
Unit No. 5A,  
Near Satara Road Telephone Exchange,  
Shahu College Road,  
Parvati, Pune 411009  
Maharashtra, India  
CIN: U30107PN1996PLC016718  
Website: [www.softtech-engr.com](http://www.softtech-engr.com)  
Email id: [aishwaryap@softtech-engr.com](mailto:aishwaryap@softtech-engr.com)  
Tel. No:+91 – 020 - 24217676  
Facsimile: +91-020 - 24218747

### **Chief Financial Officer of our Company**

**Mr. Anand Dad**

**SoftTech Engineers Limited**

'The Pentagon',  
Unit No. 5A,  
Near Satara Road Telephone Exchange,  
Shahu College Road,  
Parvati, Pune 411009  
Maharashtra, India  
CIN: U30107PN1996PTC016718  
Website: [www.softtech-engr.com](http://www.softtech-engr.com)  
Email id: [cfo@softtech-engr.com](mailto:cfo@softtech-engr.com)  
Tel. No:+91 – 020 - 24218747  
Facsimile: +91-020 - 24218747

**Investor Grievances**

**Investors may contact our Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievance, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

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 Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

<b>BOOK RUNNING LEAD MANAGER</b>	<b>LEGAL COUNSEL TO THE OFFER</b>
<b>1.PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED</b> 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India <b>Telephone:</b> +91-22 61946700 <b>Facsimile:</b> +91-22 2659 8690 <b>Email:</b> <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a> <b>Website:</b> <a href="http://www.pantomathgroup.com">www.pantomathgroup.com</a> <b>Investor                  Grievance</b> ipo@pantomathgroup.com <b>Contact Person:</b> Hardik Bhuta <b>SEBI Registration No:</b> INM000012110	<b>Rajani Associates Advocates &amp; Solicitors</b> 204-207, Krishna Chambers, 59, New Marine Lines, Mumbai 400020 Maharashtra, India. <b>Telephone:</b> + 91-22-40961000 <b>Facsimile:</b> +91-22-40961010 <b>Website:</b> <a href="http://www.rajaniassociates.net">www.rajaniassociates.net</a> <b>Email:</b> <a href="mailto:sangeeta@rajaniassociates.net">sangeeta@rajaniassociates.net</a> <b>Id:</b> <b>Contact Person:</b> Ms. Sangeeta Lakhi
<b>2.SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA LIMITED</b> SIDBI- MSME Development Centre, Plot No. C-11, 'G' Block BandraKurla Complex, Bandra (East), Mumbai-400051	

**Telephone :** +91-22 67531100  
**Facsimile:** +91-22 67531236  
**Email:** merchantbanking@sidbi.in      **Website:**  
[www.sidbi.in](http://www.sidbi.in)  
**Contact Person:** Suresh Kumar Rai  
**SEBI Registration No:** INM000012086

<b>REGISTRAR TO THE OFFER</b>	<b>STATUTORY AND PEER REVIEW AUDITORS</b>
<b>Link Intime India Private Limited</b> C 101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai 400 083, Maharashtra, India <b>Telephone:</b> + 91-22-49186200 <b>Facsimile</b> +91-22-49186195 <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> <b>Email:</b> <a href="mailto:softtech.ipo@linkintime.co.in">softtech.ipo@linkintime.co.in</a> <b>Contact Person:</b> Shanti Gopalkrishnan <b>SEBI Registration No:</b> INR000004058	<b>Walker Chandiok &amp; Co. LLP</b> <b>Chartered Accountants</b> 3rd Floor, Unit No. 309 to 312, West Wing, Nyati Unitree, Nagar Road, Yerwada, Pune – 411 006. <b>Telephone:</b> +91-20-67448817 <b>Facsimile</b> +91-20-67448899 <b>Email:</b> Bharat.Shetty@in.gt.com <b>Contact Person:</b> Bharat Shetty <b>Firm Registration No:</b> 001076N/N500013 <b>Peer Review Certificate No:</b> FRN001076N/N500013
<b>BANKERS TO OUR COMPANY</b>	<b>BANKER / ESCROW/REFUND BANKER TO THE OFFER</b>
<b>Axis Bank Limited</b> <b>Telephone:</b> 020-66223751 <b>Email:</b> <a href="mailto:cbbpune.branchhead@axisbank.com">cbbpune.branchhead@axisbank.com</a> <b>Contact Person:</b> Shailendra Kumar	<b>ICICI Bank Limited</b> Capital Market Division, 1 st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400 020, Maharashtra, India <b>Tel:</b> +91 22 2266818964 <b>Fax:</b> +91 22 22611138 <b>Email:</b> shweta.surana@icicibank.com <b>Contact Person:</b> Shweta Surana <b>SEBI Registration No:</b> INBI00000004

*Walker Chandiok & Co. LLP are also appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) Regulations and hold a valid peer reviewed certificate issued by the Institute of Chartered Accountants of India.*

### **SYNDICATE MEMBERS**

Pantomath Stock Brokers Private Limited  
**Pantomath Stock Brokers Private Limited**  
406-408, Keshava Premises,  
Behind Family Court, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051, Maharashtra, India **Telephone:** +91-22-42577000

**Facsimile:** +91-22-26598690  
**E-mail:** broking@pantomathgroup.com  
**Contact Person:** Mahavir Toshniwal  
**SEBI Registration No.:**INZ000068338

### Statement of *inter- se* allocation of Responsibilities for the Offer

Pantomath Capital Advisors Private Limited (PCAPL) and Small Industries Development Bank of India (SIDBI) are the Book Running Lead Manager (BRLMs) to the Offer and all the responsibilities relating to co-ordination and other activities in relation to the Offer shall be performed by them.

Sr. No.	Activities	Responsibility	Coordinator
1.	Capital restructuring with the relative components and formalities such as type of instruments, etc.	PCAPL	PCAPL
2.	Due diligence of the Company's operations/ management/ business plans/ legal, etc. Drafting and design of offer document and of statutory advertisement including memorandum containing salient features of the Draft Red Herring Prospectus. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock exchange(s), RoC and SEBI including finalization of the Draft Red Herring Prospectus and filing with the RoC.	PCAPL, SIDBI	PCAPL
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	PCAPL	PCAPL
4.	Appointment of registrar and other agencies to the Offer.	PCAPL	PCAPL
5.	Appointment of all other intermediaries including bankers to the Offer, printers, advertising agency etc.	PCAPL	PCAPL
6.	<ul style="list-style-type: none"> <li>• Developing marketing strategy which will cover, inter alia</li> <li>• Formulating marketing strategies, preparation of publicity budget; <i>f</i></li> <li>• Finalising media, marketing and public relations strategy;</li> <li>• Finalising bidding and collection centres; and <i>f</i></li> <li>• Follow-up on distribution of publicity and Offer material including form, Draft Red Herring Prospectus and deciding on the quantum of the Offer material.</li> </ul>	PCAPL, SIDBI	PCAPL

Sr. No.	Activities	Responsibility	Coordinator
7.	Coordination with Stock Exchange for bidding terminals and mock trading.	PCAPL	PCAPL
8.	Management of Public Offer Bank account and Refund Bank account and allocation.	PCAPL	PCAPL
9.	Post bidding activities including coordination for non- institutional allocation, coordination with Registrar and Banks, intimation of allocation and dispatch of refund to Bidders, etc. The post Offer activities of the Offer will involve essential follow up steps, which include finalization of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrar to the Offer, Banker to the Offer and the bank handling refund business, unblocking of ASBA funds, etc. The Book Running Lead Managers shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge the responsibility through suitable agreements with the Issuer Company.	PCAPL	PCAPL

### **Self Certified Syndicate Banks (SCSBs)**

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

### **Registered Brokers**

Bidders can submit Bid cum Application Forms in the Offer using the stock broker network of the Stock Exchanges i.e. through the Registered Brokers at the Brokers Centres. 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 National Stock Exchange of India i.e. [www.nseindia.com](http://www.nseindia.com), as updated from time to time. In relation to the ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and 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 <http://www.nseindia.com>, as updated from time to time.

### **Collecting Depository Participants**

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

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

### **Experts**

Except for the Reports in the section "***Financial Information***" and the "***Statement of Tax Benefits***" available to our Company and its shareholders beginning on pages 212 and 231 respectively of this Red Herring Prospectus, our Company has not obtained any expert opinions under the Companies Act. The term expert as used in the Red Herring Prospectus is not intended to be considered "expert" within the meaning of Section 11 of the U.S. Securities Act.

### **Brokers to the Offer**

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

### **Credit Rating**

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

### **Trustees**

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

### **Debenture Trustees**

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

### **IPO Grading**

Since the Offer 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**

Since the offer size is less than INR 10,000.00 Lakhs, the same is not required to be appointed.

### **Appraising Entity**

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

### **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Form and the Revision Form. The Price Band for the Offer will be decided by our Company seeking and ensuring alignment with the Selling Shareholder, in consultation with the BRLM, in the manner as agreed upon in the Offer Agreement. The minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLM, and will be advertised in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper and Pune edition of the Marathi newspaper Prabhat (where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/ Offer Opening Date. The Offer Price shall be determined by our Company, Selling Shareholder in consultation with the BRLM, after the Bid/ Offer Closing Date. Principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager(s) in this case being Pantomath Capital Advisors Private Limited and Small Industries Development Bank of India, the Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange of India and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLMs;
- The Registrar to the Offer and;
- The Designated Intermediaries

In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/Offer Closing Date.

We will comply with the SEBI (ICDR) Regulations and any other ancillary directions issued by SEBI for this Offer. In this regard, we have appointed Pantomath Capital Advisors Private Limited and Small Industries Development Bank of India as the Book Running Lead Manager(s), respectively to manage the Offer and procure subscriptions to the Offer.

**The process of Book Building under the SEBI (ICDR) Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Offer.**

For further details on the method and procedure for Bidding, please see section entitled "*Offer Procedure*" on page 273 of this Red Herring Prospectus.

**Illustration of Book Building and Price Discovery Process:** (*Investors should note that this example is solely for illustrative purposes and is not specific to the Offer*)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs.24 per equity share, offer size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount(₹)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%

2,500	20	7,500	250.00%
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The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the offer price at or below such cut-off price, i.e., at or below Rs. 22.00. All bids at or above this offer price and cut-off bids are valid bids and are considered for allocation in the respective categories.

**Steps to be taken by the Bidders for Bidding:**

- (1) Check eligibility for making a Bid (see chapter titled “Offer Procedure” on page 273 of this Red Herring Prospectus);
- (2) Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- (3) Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain the Demographic Details of the Bidders from the Depositories.
- (4) Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depositary Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims
- (5) Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form;

**BID / OFFER PROGRAMME**

An indicative timetable in respect of the Offer is set out below:

<b>Event</b>	<b>Indicative Date</b>
Bid / Offer Opening Date	Friday, April 27, 2018
Bid / Offer Closing Date	Thursday, May 03, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	Tuesday, May 08, 2018
Unblocking of Funds	On or Before Wednesday, May 09, 2018
Credit of Equity Shares to demat accounts of Allotees	On or Before Thursday, May 10, 2018
Commencement of trading of the Equity Shares on the Stock Exchange	On or Before Friday May 11, 2018

The above timetable is indicative and does not constitute any obligation on our Company or the BRLMs. 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 6 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band 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.

Bids and revision of Bids, shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the

Bid/Offer Period as mentioned above at the Bidding centers and designated branches of SCSBs as mentioned in the Bid Cum Application Form. On the Bid/Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between **10.00 a.m. and 3.00 p.m.** (IST) and shall be uploaded until (i) **4.00 p.m.** (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until **5.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic bidding system would be rejected. Bids 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 Bids on the Bid/ Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Bid/ Offer Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager or the Syndicate Member is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

QIBs and Non-Institutional Investors shall neither withdraw nor revise their Bids so as to lower the size of their Bid at any stage after they have Bid for the Offer. QIBs and Non-Institutional Investors may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Offer Period. Such upward revision must be made using the Revision Form.

Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Offer Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Offer Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Bidder, the details as per the Bid 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 Bid Cum Application Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask the relevant SCSBs / Syndicate Member / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

### **Withdrawal of the Offer**

Our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer at any time before the Offer Opening Date without assigning any reason thereof.

If our Company withdraws the Offer anytime after the Offer Opening Date but before the allotment of

Equity Shares, a public notice within two (2) Working Days of the Offer Closing Date, providing reasons for not proceeding with the Offer shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchange will also be informed promptly.

The Book Running Lead Manager, 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 Offer after the Offer Closing Date and subsequently decides to proceed with an Offer of the Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Offer 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 Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

### **Underwriting**

The Company and the Book Running Lead Managers to the Offer hereby confirm that the Offer is 100% Underwritten.

The Offer is 100% underwritten by the Pantomath Capital Advisors Private Limited – SIDBI in the capacity of Underwriter to the Offer. Pursuant to the terms of the Underwriting Agreement dated April 17, 2018 entered into by us with Underwriter – , the obligations of the Underwriter are subject to certain conditions specified therein. The Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the National Stock Exchange of India. The details of the Underwriting commitments are as under:

(Rs. In Lakhs)			
Name, Address, Telephone, Facsimile, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Offer size Underwritten
Pantomath Capital Advisors Private Limited	16,73,200* Shares of Rs.10 being Offered at Rs.[●] each	[●]	58.68%
SIDBI	11,78,000* Shares of Rs.10 being Offered at Rs.[●] each	[●]	41.32%

*\*Includes 1,44,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations.*

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 Offer**

Our Company has entered into Market Making Agreement dated April 17, 2018with the following Market Maker to fulfill the obligations of Market Making for this Offer:

#### **Pantomath Stock Brokers Private Limited**

406-408, Keshava Premises,

Behind Family Court, Bandra Kurla Complex,

Bandra (East), Mumbai 400 051, Maharashtra, India **Telephone:** +91-22-42577000

**Facsimile:** +91-22-26598690

**E-mail:** broking@pantomathgroup.com

**Contact Person:**Mahavir Toshniwal

**SEBI Registration No.:**INZ000068338

**Market Maker.** (SME Segment National Stock Exchange of India)

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations and the circulars issued by the National Stock Exchange of India and SEBI regarding this matter from time to time.

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

1. The Market Maker(s) (*individually or jointly*) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker(s).
2. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time and the same shall be updated in the Prospectus.
3. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of Emerge Platform of National Stock Exchange of India and SEBI from time to time.
4. The minimum depth of the quote shall be Rs.1,00,000. However, the investors with holdings of value less than Rs.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.
5. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the EMERGE Platform of National Stock Exchange of India (in this case currently the minimum trading lot size is [●] equity shares; however the same may be changed by the EMERGE Platform of National Stock Exchange of India from time to time).
6. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified 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).
7. 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 Offer Size. Any Equity Shares allotted to Market Maker under this Offer over and above 25% of Offer Size would not be taken in to consideration of computing the threshold of 25% of Offer Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Offer Size, the Market Maker will resume providing two (2) way quotes.
8. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India may intimate the same to SEBI after due verification.
9. Execution of the order at the quoted price and quantity must be guaranteed by the Market

Maker(s), for the quotes given by him.

10. There would not be more than five (5) Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
11. On the first day of the listing, there will be pre 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.
12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
13. The Market Maker(s) shall have the right to terminate said arrangement by giving a three (3) months notice or on mutually acceptable terms to the Book RunningLead Manager, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book RunningLead 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 Book Running Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on Working Days.

**14. Risk containment measures and monitoring for Market Makers:**

SME Exchange of National Stock Exchange of India will have all margins, which are applicable on the National Stock Exchange of India main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India can impose any other margins as deemed necessary from time-to-time.

**15. Price Band and Spreads:**

SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for offer size up to Rs.250 Crores, the applicable price bands for the first day shall be:

- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the offer price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange/ Platform of National Stock Exchange of India.

No.	Market Price Slab (In Rs.)	Proposed spread (in % to sale price)
1.	Upto 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

**16. Punitive Action in case of default by Market Makers:**

SME Exchange of National Stock Exchange of India 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 (Issuing two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

17. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the offer size and as follows:

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

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

## CAPITAL STRUCTURE

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

No.	Particulars	Amount (Rs. in Lakhs except share data)		
		Aggregate nominal value	Aggregate value at Offer	Price
<b>A. Authorised Share Capital</b>		<b>1100.00</b>		
1,10,00,000 Equity Shares of face value of Rs. 10/- each		1100.00		
<b>B. Issued, Subscribed and Paid-Up Share Capital before the Offer</b>				
70,51,276 Equity Shares of face value of Rs. 10/- each		705.12		
<b>C. Present Offer in terms of this Red Herring Prospectus</b>				
Offer of 28,51,200 Equity Shares of face value Rs.10/-each at a price of Rs. [•] per Equity Share.		285.12	[•]	
<b>Consisting of :</b>				
<b>Fresh Issue</b> of 23,71,200 Equity Shares of face value Rs.10/- each at a price of Rs. [•] per Equity Share aggregating up to Rs. [•] Lakhs		237.12	[•]	
<b>Offer for Sale</b> of 4,80,000 Equity Shares by Selling Shareholder		48.00	[•]	
<b>Reservation for Market Maker</b> – 1,44,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [•] per Equity Share		144.00	[•]	
<b>Net Offer / Offer to the Public</b> – 27,02,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [•] per Equity Share		270.02	[•]	
<b>Of the Net Offer / Offer to the Public</b>				
<b>Qualified Institutional Buyers Portion</b>		[•]	[•]	
<b>Of which</b>				
Available for allocation to Mutual Funds, (5% of the QIB Portion)		[•]	[•]	
Balance available for QIBs including Mutual Funds		[•]	[•]	
<b>Non-Institutional Portion</b> of not less than 15% of the Net Offer aggregating to not less than [•] Equity Share		[•]	[•]	
<b>Retail Portion</b> of not less than 35% of the Net Offer aggregating to not less than [•] Equity Share		[•]	[•]	
<b>D. Issued, Subscribed and Paid-Up Share Capital after the Offer</b>				
[•] Equity Shares of face value of Rs. 10/- each		[•]		
<b>E. Securities Premium Account</b>				
Before the Offer		996.30		
After the Offer		[•]		

The Offer has been authorised by the Board of Directors vide a resolution passed at its meeting held on March 3, 2018 and by the shareholders of our Company vide a special resolution pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on March 7, 2018.

## NOTICE TO THE CAPITAL STRUCTURE

1. Details of increase in authorized share capital: Since the Incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Shareholders " Meeting	AGM / EGM
From	To		
Rs. 5,00,000/- consisting of 50,000 equity shares of Rs. 10/- each		On Incorporation	–
Rs. 5,00,000 consisting of 50,000 Equity shares of Rs. 10/- each.	Rs. 65,00,000 consisting of 3,50,000 Equity Shares of Rs. 10/- each and 30,000 13% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each.	March 24, 2003	EGM
The Authorized Capital of the Company has been reclassified from Rs. 65,00,000 comprising 3,50,000 Equity Shares of Rs. 10/- each and 30,000 13% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each to Rs. 65,00,000 comprising of 6,50,000 Equity Shares of Rs. 10/- each.		September 29, 2007	AGM
The Authorized Capital of the Company has been reclassified from Rs. 65,00,000 comprising 6,50,000 Equity Shares of Rs. 10/- each to Rs. 65,00,000 comprising of 6,00,000 Equity Shares of Rs. 10/- each and 50,000 Fully Convertible Cumulative Preference Shares of Rs. 10/- each.		March 5, 2008	EGM
Rs 65,00,000/- consisting of 6,00,000 Equity Shares of Rs.10/- each and 50,000 Fully Convertible Cumulative Preference Shares of Rs. 10/- each.	Rs. 2,65,00,000/- consisting of 26,00,000 Equity Shares of Rs. 10/-each and 50,000 Fully Convertible Cumulative Preference Shares of Rs. 10/-each.	February 5, 2010	EGM
The Authorized Capital of the Company has been reclassified by reclassifying the existing unissued 50,000 Fully Convertible Cumulative Preference Shares of Rs. 10/- each to 50,000 Compulsory Convertible Preference Shares of Rs. 10/- each.		March 24, 2014	EGM
Rs. 2,65,00,000/- consisting of 26,00,000 Equity Shares of Rs. 10/-each and 50,000 Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each.	Rs. 3,80,00,000/- consisting of 28,00,000 Equity Shares of Rs. 10/-each and 10,00,000 Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each.	March 24, 2014	EGM
Rs. 3,80,00,000/- consisting of 28,00,000 Equity Shares of Rs. 10/-each and 10,00,000 Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each.	Rs. 4,60,00,000/- consisting of 36,00,000 Equity Shares of Rs. 10/-each and 10,00,000 Compulsory Convertible Preference Shares of Rs. 10/- each.	January 29, 2016	EGM

The Authorized Capital of the Company has been reclassified from Rs. 4,60,00,000 comprising of 36,00,000 Equity Shares of Rs. 10/- each and 10,00,000 Compulsory Convertible Preference Shares of Rs. 10/- each to 4,60,00,000 comprising of 46,00,000 Equity Shares of Rs. 10/- each.	February 3, 2018	EGM	
Rs. 4,60,00,000 consisting of 46,00,000 Equity Shares of Rs. 10/- each.	Rs. 11,00,00,000/- consisting of 1,10,00,000 Equity Shares of Rs. 10/- each.	February 3, 2018	EGM

\* Certain forms and resolutions filed by the Company with the RoC are not traceable. Our Company has caused a physical enquiry of the relevant records/forms/returns at the RoC Office through its representative Mr. Mahesh G. Bagla, Practicing Company Secretary having certificate of practice bearing number 13136 and has communicated that the RoC has informed that there are no physical records/forms/returns of our Company maintained/retained by the RoC in respect of increase in authorized share capital, allotment of securities, annual filings, for the years prior to 2006. Further, the details with respect to the changes in the authorized capital have been identified on the basis of Board and AGM/EGM minutes and the MOA maintained by the Company.

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

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (Rs.)	Number of allottes
On Incorporation	200	10	10	Cash	Subscription to MOA <sup>(i)</sup>	200	2,000	2
June 21, 1996	4,000	10	10	Cash	Further Allotment <sup>(ii)</sup>	4,200	42,000	2
October 4, 1996	5,000	10	10	Cash	Further Allotment <sup>(iii)</sup>	9,200	92,000	1
February 11, 1997	2,000	10	10	Cash	Further Allotment <sup>(iv)</sup>	11,200	1,12,000	1
May 12, 1997	1,500	10	10	Cash	Further Allotment <sup>(v)</sup>	12,700	1,27,000	1
August 1, 1997	2,700	10	10	Cash	Further Allotment <sup>(vi)</sup>	15,400	1,54,000	2
October 20, 1997	23,500	10	10	Cash	Further Allotment <sup>(vii)</sup>	38,900	3,89,000	1
February 9, 1998	4,000	10	10	Cash	Further Allotment <sup>(viii)</sup>	42,900	4,29,000	1
February 13, 1998	1,000	10	10	Cash	Further Allotment <sup>(ix)</sup>	43,900	4,39,000	1
March 31, 1999	6,000	10	10	Cash	Further Allotment <sup>(x)</sup>	49,900	4,99,000	4
March 26, 2003	1,30,000	10	NA	Other than Cash	Bonus Issue <sup>(xi)</sup>	1,79,900	17,99,000	4
April 4, 2003	1,68,100	10	10	Cash	Further Allotment <sup>(xii)</sup>	3,48,000	34,80,000	4
September 5, 2003	1,000	10	10	Cash	Further Allotment <sup>(xiii)</sup>	3,49,000	34,90,000	1
February 12, 2008	24,929	10	385	Cash	Further Allotment <sup>(xiv)</sup>	3,73,929	37,39,290	1
November 11, 2008	10,387	10	10	Cash	Further Allotment <sup>(xv)</sup>	3,84,316	38,43,160	1
December 3, 2008	10,387	10	10	Cash	Further Allotment <sup>(xvi)</sup>	3,94,703	39,47,030	1

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (Rs.)	Number of allotes
Conversion of Preference Shares into Equity Shares (xvii)								
May 18, 2009	19,735	10	10	Cash	Preference Shares into Equity Shares (xvii)	4,14,438	41,44,380	1
February 5, 2010	20,72,190	10	NA	Other than Cash	Bonus Issue (xviii)	24,86,628	2,48,66,280	7
March 22, 2012	10,000	10	100	Cash	Further Allotment(xix)	24,96,628	2,49,66,280	1
March 27, 2014	85,112	10	88.12	Cash	Rights Issue <sup>(xx)</sup>	25,81,740	2,58,17,400	5
March 31, 2014	883	10	113.29	Cash	Further Allotment <sup>(xxi)</sup>	25,82,623	2,58,26,230	1
Conversion of CCPS into Equity Shares (xxii)								
February 10, 2016	9,43,015	10	106.04	Cash	Conversion of CCPS into Equity Shares (xxii)	35,25,638	3,52,56,380	1
February 06, 2018	35,25,638	10	NA	Other than Cash	Bonus Issue <sup>(xxiii)</sup>	70,51,276	7,05,12,760	8

## 2. History of Preference Share Capital of our Company

Date of Allotment / Fully Paid-up	No. of Preference Shares allotted/ Redeemed	Face value (Rs.)	Issue/Redemption Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Preference Shares	Cumulative Paid -up Capital (Rs.)	Number of allottees
June 28, 2004	19,900	100	100	Cash	Allotment <sup>(xxiv)</sup>	19,900	19,90,000	1
March 19, 2005	10,000	100	100	Cash	Allotment <sup>(xxv)</sup>	29,900	29,90,000	1
June 24, 2005	(29,900)	100	100	Cash	Redemption of Shares <sup>(xxvi)</sup>	-	-	-
September 1, 2008	19,735	10	506.71	Cash	Allotment <sup>(xxvii)</sup>	19,735	1,97,350	1
May 18, 2009	(19,735)	10	10	Cash	Conversion to Equity Shares <sup>(xxviii)</sup>	-	-	-
March 31, 2014	4,30,434	10	116.16	Cash	Allotment <sup>(xxix)</sup>	4,30,434	43,04,340	1
January 19, 2015	4,30,433	10	116.16	Cash	Allotment <sup>(xxx)</sup>	8,60,867	86,08,670	1
February 10, 2016	(8,60,867)	10	96.04	Cash	Conversion to Equity Shares <sup>(xxxi)</sup>	-	-	-

- (i) Subscription to MOA by Vijay Gupta of 100 Equity Shares of Rs. 10/- each, by Shyam Bhandari of 100 Equity Shares of Rs. 10/- each.
- (ii) Further Allotment to Ravi Shrikisan Lohia of 2,000 Equity Shares of Rs. 10/- each, to Santosh M. Kolhe of 2,000 Equity Shares of Rs. 10/- each.
- (iii) Further Allotment to Shyam Bhandari of 5,000 Equity Shares of Rs. 10/- each.
- (iv) Further Allotment to Ravi Lohia of 2,000 Equity Shares of Rs. 10/- each.
- (v) Further Allotment to Santosh Kolhe of 1,500 Equity Shares of Rs. 10/- each.
- (vi) Further Allotment to Santosh Kolhe of 1,600 Equity Shares of Rs. 10/- each, to Ravi S. Lohia of 1,100 Equity Shares of Rs. 10/- each.
- (vii) Further Allotment to Priti Gupta of 23,500 Equity Shares of Rs. 10/- each.
- (viii) Further Allotment to Vijay Gupta of 4,000 Equity Shares of Rs. 10/- each.
- (ix) Further Allotment to Vijay Gupta of 1,000 Equity Shares of Rs. 10/- each.
- (x) Further Allotment to Santosh Kolhe of 1,500 Equity Shares of Rs. 10/- each, to Shyam Bhandari of 1,500 Equity Shares of Rs. 10/- each, to Vijay Gupta of 1,500 Equity Shares of Rs. 10/- each and to Shobha Lohia of 1,500 Equity Shares of Rs. 10/- each.
- (xi) Bonus Issue to Vijay Gupta of 73,466 Equity Shares of Rs. 10/- each, to Shyam Bhandari of 17,194 Equity Shares of Rs. 10/- each, to Santosh Kolhe of 22,146 Equity Shares of Rs. 10/- each and Shobha Lohia of 17,194 Equity Shares of Rs. 10/- each in the ratio of 1,300 bonus shares for every 499 Equity Shares held by the members as on March 26, 2003.
- (xii) Further Allotment to Santosh Kolhe of 56,354 Equity Shares of Rs. 10/- each, to Shyam Bhandari of 28,406 Equity Shares of Rs. 10/- each, to Vijay Gupta of 54,934 Equity Shares of Rs. 10/- each and to Shobha Lohia of 28,406 Equity Shares of Rs. 10/- each.
- (xiii) Further Allotment to SIDBI Trustee Company Ltd. A/c National Venture Fund for Software & Information Technology Industry of 1,000 Equity Shares of Rs. 10/- each.
- (xiv) Further Allotment to Co Visible Solutions India Private Limited of 24,929 Equity Shares of Rs. 10/- each at a premium of Rs. 375/- per share.

- (xv) Further Allotment to Devendra Tripathi of 10,387 Equity Shares of Rs. 10/- each at par.
- (xvi) Further Allotment to Dhrubajyoti Debchaudhury of 10,387 Equity Shares of Rs. 10/- each.
- (xvii) Further Allotment to Ajay Kumar Jain of 19,735 Equity Shares of Rs. 10 each pursuant to conversion of 19,735 fully convertible cumulative preference shares of Rs. 10/- each.
- (xviii) Bonus Issue to Vijay Gupta of 14,79,000 Equity Shares of Rs. 10/- each, to Babubhai Patel of 2,61,000 Equity Shares of Rs. 10/- each, to Covisible Solutions (India) Private Limited of 1,24,645 Equity Shares of Rs. 10/- each, to Priti Gupta of 5,000 Equity Shares of Rs. 10/- each, to Devendra Tripathi of 51,935 Equity Shares of Rs. 10/- each, to Dhrubajyoti Debchoudhury of 51,935 Equity Shares of Rs. 10/- each, to Ajaykumar Jain of 98,675 Equity Shares of Rs. 10/- each in the ratio of 5 Equity Shares for every 1 Equity Shares held by them.
- (xix) Further Allotment to Priti Gupta of 10,000 Equity Shares of Rs. 10/- each at a premium of Rs. 90/- each.
- (xx) Further Allotment to Vijay Gupta of 65,817 Equity Shares of Rs. 10/- each, to Priti Gupta of 545 Equity Shares of Rs. 10/- each, to B.K. Patel of 11,952 Equity Shares of Rs. 10/- each, to Devendra Tripathi of 3,399 Equity Shares of Rs. 10/- each, to Dhrubajyoti Debchoudhury of 3,399 Equity Shares of Rs. 10/- each, all at a premium of Rs. 78.12/- per share.
- (xxi) Further Allotment to Rajasthan Trustee Company Private Limited. A/C Sme Tech Fund RVCF Trust II of 883 Equity Shares of Rs. 10/- each at a premium of Rs. 103.29/- per share.
- (xxii) Allotment to Rajasthan Trustee Company Private Limited. A/C Sme Tech Fund RVCF Trust II of 9,43,015 Equity Shares of Rs. 10/- each at a premium of Rs. 96.04/- per share pursuant to conversion of 8,60,867 compulsory convertible cumulative preference shares of Rs. 10 each.
- (xxiii) Bonus Issue to Rajasthan Trustee Company Private Limited. A/C Sme Tech Fund RVCF Trust II of 9,43,898 Equity Shares of Rs. 10/- each, Ajay Kumar Jain of 1,18,410 Equity Shares of Rs. 10/- each, to Babulal K. Patel of 3,25,152 Equity Shares of Rs. 10/- each, to Covisible Solutions (India) Private Limited of 1,49,574 Equity Shares of Rs. 10/- each, to Devendra Kumar Tripathi of 65,721 Equity Shares of Rs. 10/- each, to Dhrubajyoti Debchoudhury of 65,721 Equity Shares of Rs. 10/- each, to Vijay Gupta of 18,40,617 Equity Shares of Rs. 10/- each, to Priti Gupta of 16,545 Equity Shares of Rs. 10/- each in the ratio of 1 Equity Shares for every 1 Equity Shares held by them.
- (xxiv) Allotment to SIDBI Trustee Company Limited A/c. National Venture Fund for Software and Information Technology Industry of 19,900 13%

Optionally Convertible Cumulative Preference Shares of Rs. 100/- each.

- (xxv) Allotment to SIDBI Trustee Company Limited A/c. National Venture Fund for Software and Information Technology Industry of 10,000 13% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each
- (xxvi) Redemption of 29,900 13% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each. issued to SIDBI Trustee Company Limited A/c. National Venture Fund for Software and Information Technology Industry
- (xxvii) Allotment to Ajay Kumar Jain of 19,735 0.1% Fully Convertible Cumulative Convertible Preference Shares of Rs. 10/- each at a premium of Rs. 496.71/- per share.
- (xxviii) Conversion of 19,735 Cumulative Convertible Preference Shares of Rs. 10/- each. issued to Ajay Kumar Jain into 19,735 Equity Shares of Rs. 10/- each.
- (xxix) Allotment to Rajasthan Trustee Company Private Limited. A/C Sme Tech Fund RVCF Trust II of 4,30,434 Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each at a premium of Rs. 106.16 per share.
- (xxx) Allotment to Rajasthan Trustee Company Private Limited. A/C Sme Tech Fund RVCF Trust II of 4,30,433 Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each at a premium of Rs. 106.16 per share.
- (xxxi) Conversion of 8,60,867 compulsory convertible preference shares of Rs. 10 each. issued to Rajasthan Trustee Company Private Limited. A/C Sme Tech Fund RVCF Trust II into 9,43,015 Equity Shares of Rs. 10/- each at a premium of Rs. 96.04/- per share.

1. Our Company has not issued any Equity Shares for consideration other than cash and bonus shares except as stated below:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Benefits accrued to the Company	Reasons of Allotment	No. of allottees
March 26, 2003	1,30,000	10	NA	Capitalisation of Reserve	Bonus Issue	4

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February 5, 2010	20,72,190	10	NA	Capitalisation of Reserve	Bonus Issue	7
May 18, 2009	19,735	10	10	Nil	Further Allotment pursuant to conversion of Preference Shares	1
February 10, 2016	9,43,015	10	106.04	Nil	Further Allotment pursuant to conversion of Preference Shares	1
February 06, 2018	35,25,638	10	NA	Capitalisation of Reserve	Bonus Issue	8

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2. No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.
3. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
4. Except as mentioned below, no shares have been issued at price below Offer Price within last one year from the date of this Red Herring Prospectus.

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Benefits accrued to the Company	Reasons of Allotment	No. of allottees
February 06, 2018	35,25,638	10	NA	Capitalisation of Reserve	Bonus Issue in the ratio of 1 Equity Share for every 1 Equity Share held	8

##### 5. Build-up of “Promoters Shareholding” Promoters contribution and lock-in

###### (i) Build-up of Promoters Shareholding

As on the date of this Red Herring Prospectus, our sole Promoter, Vijay Gupta holds 36,81,234 Equity Shares i.e. 52.21 % of pre-Offer Equity Shares of our Company. The details of the shareholding of our Promoter are as under.

###### a) Vijay Gupta

Date of Allotment and made fully paid up / Transfer	No. of Equity Shares	Face value per Share	Issue / Acquisition / Transfer price Rs.)*	Nature of Transactions	Pre-Offer shareholding %	Post – Offer shareholding %	Lock-in Period
June 17, 1996	100	10	10	Subscription to Memorandum	Negligible		3 Years
February 9, 1998	4,000	10	10	Further Allotment	0.06%		3 Years
February 13, 1998	1,000	10	10	Further Allotment	0.01%		3 Years

Date of Allotment and made fully paid up / Transfer	No. of Equity Shares	Face value per Share	Issue / Acquisition / Transfer price Rs.)*	Nature of Transactions	Pre-Offer shareholding %	Post – Offer shareholding %	Lock-in Period
March 31, 1999	1,500	10	10	Further Allotment	0.02%	[•]	3 Years
January 12, 2003	21,600	10	10	Transfer of Shares	0.31%	[•]	3 Years
March 26, 2003	73,466	10	NA	Bonus Issue	1.04%	[•]	3 Years
April 4, 2003	54,934	10	10	Further Allotment	0.78%	[•]	3 Years
October 15, 2004	52,200	10	10	Transfer of Shares	0.74%	[•]	3 Years
January 17, 2005	87,000	10	10	Transfer of Shares	1.23%	[•]	3 Years
May 30, 2007	52,200	10	10	Transfer of Shares	0.74%	-	-
June 25, 2007	(52,200)	10	23.96	Transfer of Shares	-0.74%	-	-
February 5, 2010	14,79,000	10	NA	Bonus Issue	20.97%	[•]	Partially 3
March 27, 2014	65,817	10	88.12	Rights Issue	0.93%	[•]	Partially 3 Years
February 06, 2018	18,40,617	10	NA	Bonus Issue	26.10%	[•]	Partially 3 Years

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment.

Our Promoter has provided his confirmation to our Company and the BRLMs that the Equity Shares held by him, which shall be locked-in for a period of three years as Promoter's contribution have been financed from his internal accruals and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose. Our Promoter has pledged around 3,00,000 Equity Shares in favour of Technology Development Board in respect of loan of Rs. 245.00 Lakhs availed by the Company. For more details, please refer to the chapter titled "Statement of Financial Indebtedness" beginning on page 231 of this Red Herring Prospectus. As of the date of this Red Herring Prospectus, except as mentioned above, none of the Equity Shares held by our Promoter are subject to pledge.

(ii) **Details of Promoter's Contribution locked in for three years:**

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations, an aggregate of 20% of the post-Offer equity capital held by our Promoter shall be considered as Promoter's Contribution ("**Promoter's Contribution**") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoter has given written consent to include such number of Equity Shares held by him and subscribed by him as a part of Promoter's Contribution constituting 20 % of the post Offer Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution, for a period of three years from the date of allotment in the Offer.

Particulars	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage (%) holding	Number of Equity Shares	Percentage (%) holding
<b>Promoter</b>				
Vijay Gupta	18,84,500]	26.73	18,84,500	[•]
<b>Total</b>	<b>18,84,500]</b>	<b>26.73</b>	<b>18,84,500</b>	<b>[•]</b>

The minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as promoter under the SEBI (ICDR) Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoter's Contribution in terms of Regulation 33 of the SEBI (ICDR) Regulations. In connection, we confirm the following:

- a. The Equity Shares offered for minimum 20% Promoter's Contribution have not been acquired in the three years preceding the date of this Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoter's Contribution;
- b. The minimum Promoter's Contribution does not include Equity Shares acquired during the one year preceding the date of this Red Herring Prospectus at a price lower than the Offer Price;
- c. Our Company has not been formed by the conversion of a partnership firm into a

- Company and thus, no Equity Shares have been issued to our Promoter upon conversion of a partnership firm;
- d. The Equity Shares held by the Promoter and offered for minimum Promoter's Contribution are not subject to any pledge;
- e. All the Equity Shares of our Company held by our Promoter are in the process of being dematerialized; and
- f. The Equity Shares offered for Promoter's Contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's Contribution subject to lock-in.

(iii) **Details of Equity Shares locked-in for one year**

Other than the above Equity Shares that are locked in for three years, except for the Equity Shares allotted to the employees of our Company who are employees as on date of Allotment, under the SoftTech ESOP 2017, the entire pre-Offer Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public Offer pursuant to Regulation 36 (b) and Regulation 37 of the SEBI ICDR Regulations. Further, Equity Shares held by venture capital funds, foreign venture capital investors and alternate investment funds shall be locked in for a period of one year from the date of purchase of Equity Shares. However, such Equity Shares held by venture capital funds, foreign venture capital investors and alternate investment funds cannot be locked in for one year if the same was subject to lock-in for one year from the date of purchase by venture capital funds, foreign venture capital investors and alternate investment funds

(iv) **Other requirements in respect of lock-in**

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoter's Contribution for 3 years under Regulation 36(a) of the SEBI (ICDR) Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the offer.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than our Promoter prior to the Offer may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI (ICDR) Regulations has ended, subject to compliance with the Takeover Code, as applicable

We further confirm that our Promoter's Contribution of [●] % of the post Offer Equity Share Capital does not include any contribution from Alternative Investment Fund.

**6. Selling Shareholders' Shareholding in our Company**

The total number of Equity Shares held by the Selling Shareholders in our Company as on the date of this Red Herring Prospectus is as follows:

Name of Selling Shareholder	Number of Equity Shares	Percentage of Pre-Offer Paid-up Equity Capital
Rajasthan Trustee Company Private Limited A/c. SME Tech Fund RVCF Trust II	18,87,796	26.77

**7. Our Shareholding Pattern**

The table below represents the summary of shareholding pattern of our Company as on the date of this Red Herring Prospectus:

C at eg or y	Catego ry of Shareh older y	No. of share holde r rs	No. of fully paid up equity shares held	No. of Partl y paid- up equit y share s held	No. of shares underlyin g Deposito ry Receipts	Total nos. share s held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities*	No. of Shares Underlying Outstanding convertible securities (including Warrant)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Numbe r of Locke d in shares **	Number of Shares pledged or otherwise encumbered	****N umber of equity shares held in demat erializ ed form		
I	II	III	IV	V	VI	VII = IV + V + VI	VIII	IX	X	XI = VII + X	XII	XIII	XIV		
A	Promot er and Promot er Group	3	40,13,472	-	-	40,13 ,472]	56.91	40,13,472	56.91	-	56.91	-	3,00,00 0	7.48%	40,13,4 72
B	Public	5	30,37,804	-	-	30,37 ,804	43.09	30,37,804	43.09	-	43.09	-	-	-	18,87,7 96
C	Non Promot er- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Shares underly ing DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category of Shareholder	No. of shares held	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of underlying Depository Receipts	Total nos. share held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities*	No. of Shares Underlying Outstanding convertible securities (including Warrant)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locke d in shares **	Number of Shares pledged or otherwise encumbered	****Number of equity shares held in dematerialized form	
I	II	III	IV	V	VI	VII = IV + V + VI	VIII	IX	X	XI = VII + X	XII	XIII	XIV
(ii) Shares held by Employee	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	8	70,51,276	-	-	70,51 ,276	100	70,51,276	100	-	100	-	3,00,00	7.48% [•]

**Note:** PAN of the Shareholders shall be provided by our Company prior to Listing of Equity Shares on the Stock Exchange.

\*\*\*In terms of SEBI Listing Regulations, all Equity Shares held by the Promoter / members of the Promoter Group will be dematerialized prior to the date of opening of the Offer.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Emerge Platform of National Stock Exchange of India Limited before commencement of trading of such Equity Shares.

8. Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category—Promoter and Promoter Group:

Sr. No.	Name of the Shareholder (I)	Pre – Offer		Post – Offer	
		No. of Equity Shares (III)	% of Pre- Offer (IV)	No. of Equity Shares (V)	% of Post- Offer Capital (VI)
<b>Promoters</b>					
1.	Mr. Vijay Gupta	36,81,234	52.21%	36,81,234	[•]
	<b>Total</b>	<b>36,81,234</b>	<b>52.21%</b>	<b>36,81,234</b>	<b>[•]</b>
<b>Promoter Group</b>					
2.	Covisible Solutions (India) Private Limited	2,99,148	4.24%	2,99,148	[•]
3.	Mrs. Priti Gupta	33,090	0.47%	33,090	[•]
	<b>Total</b>	<b>3,32,238</b>	<b>4.71%</b>	<b>3,32,238</b>	<b>[•]</b>

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Vijay Gupta	36,81,234	1.98

10. All persons belonging to the category —Public holds Equity Shares of more than 1% of the total number of shares of our Company.
11. The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Red Herring Prospectus are set forth below:

- a) Particulars of the top ten shareholders as on the date of filing this Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Vijay Gupta	36,81,234	52.21
2.	Rajasthan Trustee Company Private Limited A/c. SME Tech Fund RVCF Trust II	18,87,796	26.77
3.	Babulal K. Patel	6,50,304	9.22
4.	Covisible Solutions (India) Private Limited	2,99,148	4.24
5.	Ajay Kumar Jain	2,36,820	3.36
6.	Devendra Kumar Tripathi	1,31,442	1.86
7.	Dhrubajyoti Deb Choudhury	1,31,442	1.86
8.	Priti Gupta	33,090	0.47
	<b>Total</b>	<b>70,51,276</b>	<b>100%</b>

- b) Particulars of top ten shareholders ten days prior to the date of filing this Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of Shareholders</b>	<b>Number of Equity Shares</b>	<b>% of Total Paid-Up Capital</b>
1.	Vijay Gupta	36,81,234	52.21
2.	Rajasthan Trustee Company Private Limited A/c. SME Tech Fund RVCF Trust II	18,87,796	26.77
3.	Babulal K. Patel	6,50,304	9.22
4.	Covisible Solutions (India) Private Limited	2,99,148	4.24
5.	Ajay Kumar Jain	2,36,820	3.36
6.	Devendra Kumar Tripathi	1,31,442	1.86
7.	Dhrubajyoti Deb Choudhury	1,31,442	1.86
8.	Priti Gupta	33,090	0.47
<b>Total</b>		<b>70,51,276</b>	<b>100%</b>

- c) Particulars of the top ten shareholders two years prior to the date of filing of this Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of Shareholders</b>	<b>Number of Equity Shares</b>	<b>% of Total Paid-Up Capital</b>
1.	Vijay Gupta	18,40,617	52.21
2.	Rajasthan Trustee Company Private Limited A/c. SME Tech Fund RVCF Trust II	9,43,898	26.77
3.	Babulal K. Patel	3,25,152	9.22
4.	Covisible Solutions (India) Private Limited	1,49,574	4.24
5.	Ajay Kumar Jain	1,18,410	3.36
6.	Devendra Kumar Tripathi	65,721	1.86
7.	Dhrubajyoti Deb Choudhury	65,721	1.86
8.	Priti Gupta	16,545	0.47
<b>Total</b>		<b>35,25,638</b>	<b>100%</b>

## 12. SOFTTECH ESOP SCHEME 2014

Pursuant to the resolution passed by our Board on March 27, 2014 and by our Shareholders on March 27, 2014, our Company had instituted the SoftTech Employees Stock Option Plan 2014 (hereinafter referred to as the "**SoftTech ESOP 2014**") for issue of options to eligible employees. The eligible employees included employees as defined in SoftTech ESOP 2014. In terms of the SoftTech ESOP 2014, grants were to be made by the Board based on determination of eligibility criteria prescribed under the SoftTech ESOP 2014 and vesting period was to be indicated in the grant letter. The vesting period shall commence from the date of grant and shall not exceed beyond 4 years from the date of grant. The vesting may occur in tranches as may be decided by the Board, which shall be stated in the grant letter. The exercise period for the options granted under the SoftTech ESOP 2014 commenced from the date of vesting of options and expired at the end of five years from the date of grant of options. Under the SoftTech ESOP 2014, no options were granted to any eligible employees. Pursuant to the resolution passed by our Board on August 21, 2017 and the ordinary resolution passed by the Shareholders of our Company at the Annual General Meeting held on September 22, 2017, the SoftTech ESOP 2014 has been superseded with the adoption of SoftTech ESOP 2017 scheme.

## 13. SOFTTECH ESOP SCHEME 2017

Pursuant to the resolution passed by our Board on August 21, 2017 and by our Shareholders on September 22, 2017, our Company had instituted the SoftTech Employees Stock Option Plan 2017 (hereinafter referred to as the “SoftTech ESOP 2017”) for issue of options to eligible employees. The objective of the ESOP Scheme is to incentivize the employees of our Company by granting stock options and thereby attract and motivate employees and retain talent along with developing a sense of ownership amongst employees. In terms of the SoftTech ESOP 2017, the Equity Shares would be allotted by the Nomination and Remuneration Committee to the option holder on exercise of the options. The eligible employees included employees as defined in SoftTech ESOP 2017. In terms of the SoftTech ESOP 2017, grants were to be made by the Board based on determination of eligibility criteria prescribed under the SoftTech ESOP 2017 and vesting period was to be indicated in the grant letter. The vesting period shall commence from the date of grant and shall not exceed beyond 4 years from the date of grant. The vesting may occur in tranches as may be decided by the Board, which shall be stated in the grant letter. The exercise period for the options granted under the SoftTech ESOP 2017 commenced from the date of vesting of options and expired at the end of five years from the date of grant of options.

The following table sets forth the particulars of the options granted under the SoftTech ESOP 2017 as on the date of this Red Herring Prospectus:

Options granted	35,116								
The pricing formula	Face Value								
Exercise price of options	Rs. 10/- per option								
Options vested (excluding options that have been exercised)	NIL								
Options exercised	NIL								
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)	35,116								
Options forfeited/lapsed/cancelled	NIL								
Variation in terms of options	NIL								
Money realised by exercise of options	NIL								
Total number of options in force	35,116								
Employee wise details of options granted to									
i. Senior managerial personnel, i.e. Directors and key management personnel	<table border="1"> <thead> <tr> <th>Name of Employee</th> <th>Total Options Granted</th> </tr> </thead> <tbody> <tr> <td>NIL</td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Name of Employee	Total Options Granted	NIL					
Name of Employee	Total Options Granted								
NIL									
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Sheetal Jagtap Kurhade Neetesh Singhal Kingshuk Chail Srinivas Rao Perla Kuldeep Rathi Premanath Basava Sarika Y. Jaglaganeshwala Deepak Warad								
iii. Identified employees who	NIL								

	are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant				
iv.	Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	NIL			
v.	Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognized if our Company had used fair value of options and impact of this difference on profits and EPS of our Company	NIL			
vi.	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NIL			
vii.	Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	NIL			
iii.	Impact on profits and EPS of the last three years if our Company had followed the	<table border="1"> <tr> <td>Fiscal</td> <td>Impact on Profit (In Rs. Million/Lakhs)</td> <td>Impact on EPS</td> </tr> </table>	Fiscal	Impact on Profit (In Rs. Million/Lakhs)	Impact on EPS
Fiscal	Impact on Profit (In Rs. Million/Lakhs)	Impact on EPS			

accounting policies specified in Regulation 15 of the SEBI E Regulations in respect of options granted in the last three years	NIL <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td></td><td></td><td></td></tr> </table>			
ix. Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	NIL			
x. Intention to sell Equity Shares arising out of ESOP Scheme I within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of the ESOP Scheme I, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	NIL			

- 14. Neither the BRLMs nor their associates hold any Equity Shares of our Company as on the date of the Red Herring Prospectus.
- 15. Under-subscription in the net offer, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the BRLMs in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received from them at or above the Offer Price.
- 16. As on the date of this Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under the Companies Act.
- 17. Our Company has not issued any Equity Shares out of revaluation reserves or unrealised profits.
- 18. All Equity Shares Allotted pursuant to the Offer will be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.
- 19. Except as disclosed in “Our Management” beginning on page 184, none of our Directors or Key Management Personnel holds any Equity Shares in our Company.
- 20. As on the date of this Red Herring Prospectus, the BRLMs and their respective associates (in accordance with the definition of “associate company” as provided under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company

21. None of the members of the Promoter Group, the Promoter and its Directors, or our Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of the Red Herring Prospectus with the Stock Exchange.
22. There are no Equity Shares against which depository receipts have been issued.
23. Other than the Equity Shares, there are no other class of securities issued by our Company.
24. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Offer, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares and issue of Equity Shares pursuant to exercise of options granted by our Company to eligible employees under SoftTech ESOP 2017) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
25. None of the persons / entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity / individual or otherwise during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.
26. Our Company, our Promoter, our Directors and the BRLM have not entered into any buy-back or standby or similar arrangements such as / safety net arrangements for the purchase of Equity Shares being offered through the Offer from any person.
27. There are no safety net arrangements for this public offer.
28. An over-subscription to the extent of 10% of the Offer to the Public can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalising the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Offer, as a result of which, the post-Offer paid up capital after the Offer would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoter and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post Offer paid-up capital is locked in.
29. Save and except options granted under the SoftTech ESOP 2017, as on date of this Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
30. All the Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of the Red Herring Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be offered/ issued fully paid-up equity shares.
31. No person connected with the Offer, including, but not limited to, the BRLMs, the members of

the Syndicate, our Company, Directors, Promoter, members of our Promoter Group , Group Companies and Selling Shareholders shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

32. As per RBI regulations, OCBs are not allowed to participate in this Offer.
33. Our Company has not raised any bridge loans against the proceeds of the Offer.
34. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
35. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
36. An Applicant cannot make an application for more than the number of Equity Shares being offered/ issued through this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
37. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoter to the persons who receive allotments, if any, in this Offer.
38. We have 8 (eight) shareholders as on the date of filing of the Red Herring Prospectus.
39. Our Promoter and the members of our Promoter Group and the BRLMs will not participate in this Offer
40. Our Company has not made any public issue since its incorporation.
41. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or any other manner during the period commencing from filing of the Red Herring Prospectus with the Stock Exchange until the Equity Shares have been listed.
42. Save and except as mentioned under the chapter titled "Statement of Financial Indebtedness" beginning on page 231 of this Red Herring Prospectus, none of the Equity Shares held by our Promoter are pledged.

For the details of transactions by our Company with our Promoter Group, Group Companies for the period ended October 31, 2017 and for the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 please refer to paragraph titled Related Party Transactions in the chapter titled—Financial Statements as Restated on page 212 of the Red Herring Prospectus.

## OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder.

### **The Offer for Sale**

The Selling Shareholder will be entitled to the proceeds from the Offer for Sale. Our Company will not receive any proceeds from the Offer for Sale. All expenses in relation to the Offer other than listing fees (which shall be borne by our Company) shall be shared in accordance with applicable laws.

### **The Fresh Issue**

We intend to utilize the Net Proceeds of the Fresh Issue towards the following objects:

1. Product Development and Enhancement Costs;
2. Funding of the Domestic and International Product Penetration and Marketing Costs;
3. Repayment/ Pre-payment of certain unsecured borrowings availed by our Company; and
4. General corporate purposes.

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Offer. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Also, we believe that the listing of Equity Shares will enhance our Company's corporate image, brand name and create a public market for our Equity Shares in India.

### **FRESH ISSUE PROCEEDS**

The details of the proceeds of the Fresh Issue are set out in the following table:

		(Rs in lakhs)
<b>Particulars</b>		<b>Estimated Amount</b>
Gross Proceeds for the Fresh Issue		[●]
Less- Offer expenses to be borne by our Company in relation to the Fresh Issue		[●]
<b>Net Proceeds</b>		[●]

### **UTILISATION OF NET PROCEEDS**

The Net Proceeds are proposed to be used in the manner set out in the following table:

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Offer(Rs. in lakhs)	Percentage of Net Proceeds
1	Product Development and Enhancement Costs	662.40	[●]
2	Funding of the Domestic and International Product Penetration and Marketing Costs	598.12	[●]
3	Repayment/ Pre-payment of certain unsecured borrowings availed by our Company	203.47	[●]
4	General corporate purposes*	[●]	[●]

\*To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

### **Schedule of Implementation and Deployment of Funds**

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Red Herring Prospectus, our Company has not deployed any funds towards the objects of the Offer.

(Rs. In lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2018)	Estimated Utilisation of Net Proceeds (Financial Year 2019)
1	Product Development and Enhancement Costs	662.40	-	662.40
2	Funding of the Domestic and International Product Penetration and Marketing Costs	598.12	-	598.12
3	Repayment/ Pre-payment of certain unsecured borrowings availed by our Company	203.47	-	203.47
4	General corporate purposes*	[●]	-	[●]

\*To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

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

### Means of Finance

The means of finance for the objects mentioned above is detailed below:

(Rs in lakhs)

Objects of the Offer	Amount Required	IPO Proceeds	Internal Accruals/ Net Worth	Bank Finance
Product Development and Enhancement Costs	828.00	662.40	165.60	-
Funding of the Domestic and International Product Penetration and Marketing Costs	598.12	598.12	-	-
Repayment/ Pre-payment of certain unsecured borrowings availed by our Company	203.47	203.47	-	-
General corporate purposes*	[●]	[●]	-	-

Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the Book Running Lead Manager or appraised by any bank,

financial institution or any other external agency. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

## DETAILS OF THE OBJECTS

### 1. Product Development and Enhancement Costs:

Our Company, being a software product innovation company, caters to the Architecture, Engineering and Construction (“AEC”) verticals using IT expertise. Our Company has developed three products namely AutoDCR, PWIMS and OPTICON till date. Our Company intends to enhance these products further by introduction of new features. Apart from this, our Company intends to develop three new products namely BIMDCR, IBPS and RuleBuddy (Out of which our Company has commenced development of BIMDCR and RuleBuddy). The total cost of enhancement of existing products is estimated to be Rs. 482.00 lakhs. Similarly, the total cost of development of new products is estimated to be Rs. 346.00 lakhs. Our Company capitalises the entire product development and enhancement costs, which, based on the past performance and experience, works out to be about 80% of the total salary costs of the product development and enhancement team.

#### A. Development of New Products:

Our Company intends to develop following products from the amount raised through the Net Proceeds:

##### I. BIMDCR

- a) **Introduction:** The need for effective implementation of single-window clearance systems and faster construction permit approval process can facilitate citizens/ Architects obtain approvals on a single model within a set time period. Building and layout plans in any city have to essentially comply with the corresponding Development Control (DC) Rules and building bye laws. Due to the complexity of these rules and the involvement of various stakeholders in their scrutiny and approval, the process faces several challenges viz.: Complex rules and bye laws and their interpretation & increased chances of human errors due to manual submission and scrutiny.

To overcome these challenges, BIMDCR helps –

- To organize complete integration of all relevant factors in the building lifecycle;
- To strengthen interaction between all stakeholders in AEC vertical;
- Maintain single and shared source of information in decision making during building construction lifecycle;
- Save time & cost with greater accuracy in estimation while making design with less alterations, lesser work and maintains consistent data.

- b) **Current Features:** The manual process of building scrutiny is an extremely time consuming process. BIMDCR model scrutiny engine automatically reads 3D building model submitted by applicant/architect, maps geometrical objects with prevailing building regulations and automatically generates area calculation tables and scrutiny reports ensuring accurate and thorough scrutiny of building. Scrutiny application includes-

#### Module 1 - Model Checker

- Auto Detection of modelling errors ;
- Facility to mark objects e.g. plot, surrounding details like road etc; and
- Preliminary DC Rules checking.

### **Module 2 - Model Compliance**

- Mapping of objects to relevant DC Rules (Architectural model);
- Compliance checking;
- Auto boundary generation (FSI, Carpet area, Margins /set- backs);
- Generation of Various reports;
- Detail scrutiny report with DC Rule reference;
- Interactive scrutiny report with object highlighting; and
- Failed list report with scrutiny status.

- c) **Way Ahead:** The next version of BIMDCR will enable automated checking of serviceability parameters and converting scrutinized model in 2D and 3D PDF format. Cost reduction is targeted by removing dependency on any third party BIM application.
- Creation of IFC based pre-processor with GUIs for Desktop application. This will make Makes the solution Independent of any 3D BIM modeler platform;
  - Creation of 2D PDF which will facilitates the stakeholders to have layout plans in printable format;
  - Creation of 3D PDF which will maintain data consistency across all stakeholders of the project;
  - Automatic checking of green building norms; and
  - Automatic checking of fire, traffic and MEP norms.

## **II. IBPS (Intelligent Building Permit System)**

- a) **Introduction:** IBPS is a next generation innovative, intelligent and collaborative platform to accelerate approval of projects. IBPS assists private consultants to automatically filter applicable building codes and plot information from GIS map. Approving authorities can use IBPS for verifying building plans/models against prevailing building codes, single window workflow engine will allow applicants to submit and track proposals to all departments involved in building permits/ NOCs. Mobile applications for site inspections, energy and safety management features using IoT will help in monitoring and providing timely alerts. Virtual reality/Augmented reality based walkthroughs will help in clear visualization of real time development in the city. IBPS Mission is to - help people Discover, Analyze, and Collaborate at every stage of construction life cycle. We aim to simplify projects approval phases through innovative tools, techniques and teamwork.

IBPS using modern technology to improve building permit process and urban space

- **IoT:** Data collected from sensors can be used for construction monitoring, safety, energy management etc.
- **VR/AR:** Real time view of the city and building data analytics.
- **GIS:** Verification of plot parameters and infrastructure services by overlay analysis.
- **Devices and tools:** Mobile app for site inspections and video cameras for construction monitoring.

- b) **Way Ahead:** IBPS is leading way for collaboration and the uniting of all aspects of project approval and monitoring by approving authorities. IBPS strengthens the capabilities of public sector/approving authorities by automating building plan/model scrutiny process, document management, approval workflow and verification of the parameters defined in the city map with the help of IBPS (Intelligent Building Permit system) platform consisting of rule search

engine, monitoring engine, CAD/ BIM verification engine, project management engine, meeting management engine, workflow engine and city data engine.

- Automatic verification of documents by image reading and validation. The documents can be OCR and intelligently read to get the meta data (DBS drive) ;
- Get plot information / area boundaries from city data engine;
- Check city level parameters-building to building distance, water front etc. All building services like Water, Electricity, Drainage, Fire Systems, Gas line, Internet line etc. will be connected to city infrastructure by integrating with GIS;
- Capture site coordinates/ site or auto-draw plot/ building boundaries using geo-coordinates based draw boundaries functionality in smart geo app;
- Plan assist feature of site coordinates mapping will overlay boundaries generated by smart geo app with boundaries shown in the submitted drawing and highlight deviations if any;
- Applicant to install sensors devices on site as per guidelines given. Alert for next inspection based on real time construction progress , automatic status updates on addition of any new floor;
- Automatic alerts on any deviation on site against approved plan. Real time data on building height will be captured and compared against approved height in the drawing/ model;
- Identify/ visualize skyline, growth corridor, impact on traffic and infrastructure using 3D walkthroughs and machine learning analytics (by converting IFC to CityGML);
- Information of in-process/approved facilities on city map-Citizens can find out facilities in the city like completed/ in-process hospitals, schools, malls, banks etc. Citizens can find out shortest distance to any facility and facility layout;
- Using approval data/ augmented reality for disaster management- In case of disaster, occupant will be guided to nearest route, can get all exit details, locations of fire-fighting installations and alarms. Intelligent safety and energy management using IoT. Auto-alerts to fire, police, hospitals etc.;
- Business analytics/ machine learning/ AI- Powerful analytical reports can be generated predicting delays and rejections ratio, analysis of rejection reasons and reforms required, performance rating to officials and applicants. The system will produce quantity, cost, and material and energy requirement.

### **III. RuleBuddy**

- a) **Introduction:** RuleBuddy assists architects to create building plans which fit the development control (DC) rules framework during the design stage itself. Creating building plans and designs, while taking into consideration all development control (DC) rules and amendments is a daunting task. Adding to the stress are tight deadlines, limited budgets and faster ROI. RuleBuddy is the portal, which offers instant and easy online access to DC rules. All you have to do is search for a specific term and RuleBuddy will search for rules specific to your term and effectively display the results. RuleBuddy is a true companion to architects for compliance check of building designs with the development control (DC) rules at the design stage itself.
- b) **Current Features:** RuleBuddy helps in getting simplified rule details (Architectural) of any specific rule prescribed by any authority just by selecting name of the ULB and rule name/category. RuleBuddy also helps users get detailed filtered set of rules applicable to your project by selecting the project information and by selecting the authority approving the project. Complete set of applicable rules prescribed by authority will help you designing the building/layout thereby exploring architects full

creative potential while addressing the city planning norms. RuleBuddy application helps in-

- Searching for building regulations related to a specific element in your building plan e.g. balcony, Parking space etc;
  - Narrow down the search by providing filtering parameters relevant to that specific rule selected;
  - Providing project information and find relevant rules applicable to any specific project;
  - Gain assurance about the compliance of all applicable rules and validity of your project before submitting a building proposal.
- c) **Way Ahead:** The next version of RuleBuddy® will assist design professionals to retrieve relevant rules information/ DCR books/ Acts/ Circulars/ notifications based on the user defined keywords, rule category and date of publication. RuleBuddy will also help design professionals find out all the information required for getting plans sanctioned from various authorities with the help of graphical process flow and organizational hierarchy diagrams. This service helps design consultants/land owners/ liaising professionals to understand steps followed by authorities in approval and to track the application flow and follow-up with concerned officers. Features targeted in RuleBuddy are-
- Search building regulations in the biggest online library of Development control rule eBooks;
  - Get ULB specific updated list of mandatory/conditional mandatory submission documents applicable to required building proposal application type;
  - Get an overview of approval processes, hierarchy, timelines followed by building/planning permission department of various ULBS;
  - Get scrutiny fees/premium fees/development charges for your project based on the most recent rates cards and fees calculation methods defined by the concerned authority;
  - Rule search for filtering rules applicable to various NOC departments like fire, traffic, MEP etc.

### **Estimated Cost of Development**

Cost of development of the abovementioned products comprises of Staff Salary costs. The product development team will comprise of existing as well as new staff. As mentioned earlier, our Company capitalises the entire cost of product development, which, based on past performance and experience, works out to be about 80% of the total cost incurred on the product development and enhancement. Therefore, our Company proposes to fund the 80% cost of the product development and enhancement from the Net Proceeds.. Details of the estimated product development costs are as under:

<b>BIMDCR</b>					
<b>Designation</b>	<b>Total No. of Employee Required</b>	<b>Existing No. Employees</b>	<b>Proposed New Employees</b>	<b>Estimated Cost Per Employee (Per Annum in lakhs of Rs.)</b>	<b>Total Estimated Cost (in lakhs of Rs.)</b>
Product Head	1	-	1	15.00	15.00
Senior Developer	1	1	-	7.00	7.00
Developers	8	1	7	4.00	32.00
Quality Assurance Team	2	2	-	3.00	6.00
<b>Total</b>	<b>12</b>	<b>4</b>	<b>8</b>		<b>60.00</b>
<b>Amount proposed to be funded from the Net Proceeds (about 80% of the</b>					<b>48.00</b>

**Total Estimated Salary Cost i.e. Capitalization Cost)**

<b>IBPS</b>					
<b>Designation</b>	<b>Total No. of Employee Required</b>	<b>Existing No. Employees</b>	<b>Proposed New Employees</b>	<b>Estimated Cost Per Employee (Per Annum in lakhs of Rs.)</b>	<b>Total Estimated Cost (in lakhs of Rs.)</b>
Product Head	1	1	-	18.00	18.00
Quality Assurance Head	2	-	2	10.00	20.00
Senior Developers	6	-	6	8.00	48.00
Developers	18	2	16	4.00	72.00
Quality Assurance Team	5	-	5	3.00	15.00
<b>Total</b>	<b>32</b>	<b>3</b>	<b>29</b>		<b>173.00</b>
<b>Amount proposed to be funded from the Net Proceeds (about 80% of the Total Estimated Salary Cost i.e. Capitalization Cost)</b>					<b>138.40</b>

<b>RuleBuddy</b>					
<b>Designation</b>	<b>Total No. of Employee Required</b>	<b>Existing No. Employees</b>	<b>Proposed New Employees</b>	<b>Estimated Cost Per Employee (Per Annum in lakhs of Rs.)</b>	<b>Total Estimated Cost (in lakhs of Rs.)</b>
Product Head	1	1	-	13.00	13.00
Quality Assurance Head	1	-	1	10.00	10.00
Senior Developers	4	-	4	8.00	32.00
Developers	13	2	11	4.00	52.00
Quality Assurance Team	2	1	1	3.00	6.00
<b>Total</b>	<b>21</b>	<b>4</b>	<b>17</b>		<b>113.00</b>
<b>Amount proposed to be funded from the Net Proceeds (about 80% of the Total Estimated Salary Cost i.e. Capitalization Cost)</b>					<b>90.40</b>

**B. Product Enhancement and Introduction of New Features in Existing Products:**

As mentioned earlier, our Company proposes to enhance and introduce new features in three of its existing products i.e. AutoDCR, PWIMS and OPTICON. The details of currently available features and proposed new features and enhancements for each of these products are as follows:

**I. AutoDCR (Automated Building Plan Approval System)**

- a) **Introduction-** The construction permits/ building plan approval process relates to the permission for the construction of buildings based on specific set of rules and regulations of state acts. Construction industry stakeholders or citizens always complain on unexpected delay due to discrepancies pointed out by civic officials and iterations in plans. This results in greater delay to the project execution.

Automated Building Plan Approval System (AutoDCR) has the capabilities to improve the quality and access to building permit or related services by the ULB so as to make cities more efficient, transparent and citizen-friendly. AutoDCR facilitates quick processing and disposal

of building plan permissions, automation of the drawing scrutiny, and standardization of permit processes, mobile based site inspections, digitally signed permits and then effective monitoring of files.

AutoDCR technology platform helps in the following ways:

- Applications for all permits/ NOC's can be done through an online portal accessible from anywhere, anytime;
- Eradicates redundant paperwork by integrating departments and removing manual intervention;
- Improves transparency and accountability through regular reporting & escalation mechanisms;
- Eliminates ambiguity and subjectivity by auto detection / calculation/ verification wherever possible;
- Improvement in Quality, delivery time and efficiency of services

AutoDCR is having two core engines –

- Web based workflow engine for online approval of building plans;
- CAD scrutiny engine for automated scrutiny of building/ layout plans.

<b>Engines</b>	<b>Current Features</b>	<b>Proposed Enhancements</b>
<b>Web based Workflow Engine</b>	<ul style="list-style-type: none"> <li>• Single window clearance system connecting all internal and external departments;</li> <li>• Online submission and automated workflow for approval;</li> <li>• Common application form for all departments;</li> <li>• Submitting electronic/ scanned documents, no hard copies;</li> <li>• Digitally signed approval documents and drawing;</li> <li>• Mobile app for capturing site inspection checklist and photographs;</li> <li>• Provision to upload and view site status by Photographs and Video Clips;</li> <li>• Combined demand note/ fees calculator for all departments;</li> <li>• Common dashboard/MIS for tracking of application by applicants and architects;</li> <li>• Online payment facility by applicants as well as architects;</li> <li>• Online mass emailing/SMS facility for alerts/announcements;</li> </ul>	<ul style="list-style-type: none"> <li>• Automatic generation of various NOCs like fire, traffic, water, sewerage, storm water drains etc.;</li> <li>• Publish proposal information on GIS city map for citizen search;</li> <li>• Automatically fetch information from GIS city map for providing automatic survey and NOC remarks;</li> <li>• Project Management features for collaboration among all consultants related to the project.</li> </ul>

<b>Engines</b>	<b>Current Features</b>	<b>Proposed Enhancements</b>
	<ul style="list-style-type: none"> <li>• Citizen search for proposal Information and status of approval;</li> <li>• Online registration of applicants/architects;</li> </ul>	
<b>CAD Scrutiny Engine</b>	<ul style="list-style-type: none"> <li>• Automatic reading of drawing objects and linking them to building regulations (architectural plan);</li> <li>• Automated scrutiny report indicating the required/permissible and proposed parameters along with status of each rule (pass/fail);</li> <li>• Automatic calculation of areas;</li> <li>• Auto-dimensioning , auto-hatching, auto-zooming;</li> <li>• Automatic arrangement of drawing in presentable format and convert in PDF format.</li> </ul>	<ul style="list-style-type: none"> <li>• Automatic checking of green building norms;</li> <li>• Automatic checking of fire, traffic and MEP norms;</li> <li>• Audio/video virtual meetings for drawing scrutiny process and remarks on drawing file from multiple users;</li> <li>• Development of application using open source to remove dependency of any third party CAD application;</li> <li>• Geo-coordination of drawings by linking CAD drawing with GIS city maps.</li> </ul>

## I. **PWIMS (Public Works Information Management System)**

**a) Introduction-** PWIMS is a proven web based solution for engineering organizations like PWD, PHED, irrigation and other works oriented governmental organizations and public sector undertakings. It integrates the various functions of planning, procuring, executing and monitoring of infrastructure projects and enables effective performance management for all types of projects including roads, buildings, bridges, irrigation works, water-supply works etc.

PWIMS facilitates quick processing and disposal works, automation of the file movement, and standardization of approval processes, mobile based site inspections, digitally signed approval Letter and then effective monitoring of files and Projects.

PWIMS technology platform helps in the following ways:

- Initiation and approval of all projects can be done through an online portal accessible from anywhere, anytime;
- Eradicates redundant paperwork by integrating departments and remove manual intervention;
- Improves transparency and accountability through regular reporting & escalation mechanisms;
- Eliminates ambiguity and subjectivity by auto detection / calculation/ verification wherever possible

<b>Current Features</b>	<b>Proposed Enhancements</b>
<ul style="list-style-type: none"> <li>• PWIMS automates all standard processes leading to significant reduction in manual work.</li> </ul>	<ul style="list-style-type: none"> <li>• Integration with tools which takes video of the entire project with important information overlaid on the video.</li> </ul>

Current Features	Proposed Enhancements
<ul style="list-style-type: none"> <li>• PWIMS also generates documentation and letters that are required throughout the project life cycle.</li> <li>• PWIMS provides the operational business intelligence and management information through dashboards. Officials can drill down data up to transaction level with ease.</li> <li>• By aligning workflows to processes and roles, PWIMS helps align processes to outcomes.</li> <li>• Compliance is enforced through automation of approvals by designated authorities and maintains an audit trail of all changes.</li> <li>• PWIMS Enforces standardization through templates and promotes best practices. The system drives accountability through systemic alerts.</li> <li>• Digitally signed approval letters.</li> <li>• Mobile app for capturing Project site inspection checklist and photographs</li> <li>• Integration with HR, Account &amp; Finance department</li> <li>• Online approval and automated workflow for approval</li> <li>• Common dashboard/MIS for tracking of Projects for senior officials.</li> <li>• Project information, official's remarks and status search facility for concerns.</li> <li>• Online mass emailing/SMS facility for alerts/announcements</li> <li>• Provision to upload and view site status by Photographs and Video Clips.</li> </ul>	<ul style="list-style-type: none"> <li>• Integration with equipment which take high resolution ortho photo of the project.</li> <li>• Integration with Digital Surface / Terrain Modeling of the project.</li> <li>• Integration with GIS (CAD Drawing) 3D feature extraction of the project based on High resolution ortho photo.</li> <li>• Integration with 3D modeling tool which could be used for volume and distance measurements of projects.</li> <li>• GIS and Google Earth compatible file with project data overlay.</li> </ul>

## II. OPTICON

- a) **Introduction-** OPTICON™ is an ERP Solution exclusively for construction industry. It captures construction industry specific processes very well and is recognized as the unique product, which covers the entire peculiar needs specific to construction and infrastructure industry starting from preparation of bids, estimates, planning & scheduling, asset management, purchase, inventory, accounts, fixed assets, payroll, sales & marketing, customer relationship and maintenance management. OPTICON™ fully web based application developed exclusively for integrating the processes and operations of construction enterprises that allows you to access the solution via internet from multiple locations. The web-based solution allows universal access, both by web or mobile, to key in data and upload files. OPTICON™ a cost effective

solution for small, medium and large sized builders & contractors who prefer to use online applications that offer full features.

Current Features	Proposed Enhancements
<p>OPTICON™ reads 3D building models from Autodesk Revit software for extracting BOQs and for project schedule. This makes life easier for contractors, as they can directly utilize the BIM models sent by the consultants for quantity takeoff and project management.</p> <p>OPTICON™ solution provides a centralized approach to manage information/data aggregation and dissemination and ensures the long-term value. An adoption of OPTICON™ solution can lead to:</p> <ul style="list-style-type: none"> <li>• Better Cash &amp; Fund Management</li> <li>• Streamlines and standardize all business processes and operations</li> <li>• Maximum utilization of company resources.</li> <li>• Maintain log on project issues for record keeping and resolution</li> <li>• The average inventory is considerably reduced</li> <li>• Dashboards and metrics to monitor each level of project progress</li> </ul>	<p><b>Accounts</b></p> <ul style="list-style-type: none"> <li>• Integration of Tally with OPTICON Accounting Module;</li> <li>• Implementation of IFRS Reports.</li> </ul> <p><b>Quality Control</b></p> <ul style="list-style-type: none"> <li>• New module for monitoring the Quality Control of Materials. The list of Quality Tests along with their tolerance limits will be available in the system while receiving the materials;</li> <li>• New module for monitoring the Quality of Project Work Execution;</li> <li>• The list of Quality Tests along with their tolerance limits should available in the system while receiving the materials.</li> </ul> <p><b>Scrap Management</b></p> <ul style="list-style-type: none"> <li>• Scrap management of Civil materials and all other assets.</li> </ul> <p><b>Bid Management</b></p> <ul style="list-style-type: none"> <li>• The Standard Rate entered in the DSR Library will be displayed while preparing the Tender;</li> <li>• Provision to upload the Item Rates in the Tender BOQ;</li> <li>• Provision to import Measurement Books from Excel Template.</li> </ul> <p><b>Plant and Machinery</b></p> <ul style="list-style-type: none"> <li>• Dashboard to know availability of machineries at Project location;</li> <li>• New Reports to be added for <ul style="list-style-type: none"> <li>◦ Maintenance History;</li> <li>◦ Breakdown History;</li> </ul> </li> <li>• Provision to consider the Warranty Period of Machineries while sending to workshop for maintenance;</li> <li>• Improvement in Labour Management for importing of Attendance from Biometric machine and Wage Calculation;</li> <li>• Provision to read the QR codes of the machineries. The history card of the machinery should be generated on reading through the QR code;</li> <li>• Provision to read and identify the materials using Bar Code Reader.</li> </ul> <p><b>Project Scheduling</b></p> <ul style="list-style-type: none"> <li>• In OPTICON, the schedule is prepared using Estimation. In case schedule is not complete, then alert should be provided</li> </ul>

Current Features	Proposed Enhancements
	<p>to show the remaining items of estimation for planning.</p> <ul style="list-style-type: none"> <li>• Preparing Project scheduling using Templates</li> <li>• Implementation of SAC code for Items</li> <li>• Availability of Resources v/s Resource Requirement UI should be displayed while preparing the schedule.</li> <li>• Provision to Enter Over Heads and Indirect expenses in the Project Monitoring module</li> <li>• New Report to view -Schedule Vs Target Vs completed report Overall/ site/ site engineer</li> </ul> <p><b><u>Procurement</u></b></p> <ul style="list-style-type: none"> <li>• The provision to export the Purchase Enquiry and import the Rates in the Quotation process will be provided;</li> <li>• There is an option to enter the credit days in the Supplier Master but if you required at the quotation level, then it will be customized. The Resourcewise Credit days is required in the Purchase Quotation process;</li> <li>• Provision to enter the request for material issue which is generated by Site engineer and will be approved by Store assistant. Against this request, store person will issue the material and same site engineer will enter the consumption;</li> <li>• System to analyse events intelligently and send alerts (Event Based). This will be implemented for Delayed Activity Execution, Missing Tender Milestones, Exceeding Project Budget, Delay in Deliveries and Minimum Stock Quantity Alert;</li> <li>• Generation of PO through Procurement Calendars;</li> <li>• Implementing user defined Reports.</li> </ul> <p><b><u>Third Party Portals</u></b></p> <ul style="list-style-type: none"> <li>• Implementation of Vendor Portal;</li> <li>• Implementation of Contractor Portal;</li> <li>• Implementation of Customer Portal.</li> </ul> <p><b><u>Mobile App</u></b></p> <ul style="list-style-type: none"> <li>• Preparing Requisition through Mobile App;</li> <li>• Preparing Material Receipt Note through Mobile App;</li> </ul>

Current Features	Proposed Enhancements
	<ul style="list-style-type: none"><li>• Preparing Goods Receipt Note through Mobile App.</li></ul>

### **Estimated Cost of Product Enhancement**

Cost of development of the abovementioned products comprises of Staff Salary costs. The product development team will comprise of existing as well as new staff. As mentioned earlier, our Company capitalizes the entire cost of product development, which, based on past performance and experience, works out to be about 80% of the salary costs of the product development team. Therefore, our Company proposes to fund the 80% cost of the product development and enhancement from the Net Proceeds. Details of the estimated product enhancement costs are as under:

<b>AutoDCR</b>					
<b>Designation</b>	<b>Total No. of Employee Required</b>	<b>Existing No. Employees</b>	<b>Proposed New Employees</b>	<b>Estimated Cost Per Employee (Per Annum in lakhs of Rs.)</b>	<b>Total Estimated Cost (in lakhs of Rs.)</b>
Product Head	3	3	-	15.00	45.00
Quality Assurance Head- CAD and BPAMS	1	1	-	9.00	9.00
Senior Developers- CAD	6	6	-	8.00	48.00
Developers- CAD	6	4	2	4.00	24.00
Developers- BPAMS	28	24	4	6.00	168.00
Quality Assurance Team	6	6	-	3.00	18.00
<b>Total</b>	<b>50</b>	<b>44</b>	<b>6</b>		<b>312.00</b>
<b>Amount proposed to be funded from the Net Proceeds (about 80% of the Total Estimated Salary Cost i.e. Capitalization Cost)</b>					<b>249.60</b>

<b>PWIMS</b>					
<b>Designation</b>	<b>Total No. of Employee Required</b>	<b>Existing No. Employees</b>	<b>Proposed New Employees</b>	<b>Estimated Cost Per Employee (Per Annum in lakhs of Rs.)</b>	<b>Total Estimated Cost (in lakhs of Rs.)</b>
Product Head	1	1	-	17.00	17.00
Quality Assurance Head	1	1	-	6.00	6.00
Senior Developers	5	5	-	6.00	30.00
Developers	9	6	3	4.00	36.00
Quality Assurance Team	4	3	1	3.00	12.00
<b>Total</b>	<b>20</b>	<b>16</b>	<b>4</b>		<b>101.00</b>
<b>Amount proposed to be funded from the Net Proceeds (about 80% of the Total Estimated Salary Cost i.e. Capitalization Cost)</b>					<b>80.80</b>

OPTICON					
Designation	Total No. of Employee Required	Existing No. Employees	Proposed New Employees	Estimated Cost Per Employee (Per Annum in lakhs of Rs.)	Total Estimated Cost (in lakhs of Rs.)
Product Head	1	1	-	12.00	12.00
Quality Assurance Head	1	1	-	10.00	10.00
Senior Developers	3	3	-	7.00	21.00
Developers	5	-	5	4.00	20.00
Quality Assurance Team	2	-	2	3.00	6.00
<b>Total</b>	<b>12</b>	<b>5</b>	<b>7</b>		<b>69.00</b>
<b>Amount proposed to be funded from the Net Proceeds (about 80% of the Total Estimated Salary Cost i.e. Capitalization Cost)</b>					<b>55.20</b>

#### Summary of Total Estimated Product Development and Enhancement Costs

(Rs. in lakhs)			
Product Name	Total Estimated Cost of Development	Amount Proposed to be funded from Net Proceeds	Balance Amount (to be funded from Internal Accruals/ Net Worth/ Bank Finance)
BIMDCR	60.00	48.00	12.00
IBPS	173.00	138.40	34.60
RuleBuddy	113.00	90.40	22.60
AutoDCR	312.00	249.60	62.40
PWIMS	101.00	80.80	20.20
OPTICON	69.00	55.20	13.80
<b>Total</b>	<b>828.00</b>	<b>662.40</b>	<b>165.60</b>

#### **2. Funding of the Domestic and International Product Penetration and Marketing Costs:**

We intend to incur the following costs for our product penetration in the domestic and international markets.

Additionally, we also intend to market our products in both domestic and international markets thereby, incurring the revenue costs in the nature of marketing costs. The costs to be incurred in each of the markets have been detailed as follows:

Market Region	Total Estimated Cost (Rs. in lakhs)
Africa and Middle East (MENA)	242.93
South East Asia and Australia	234.16
India	75.37
Rest of World (USA and Europe)	45.66
<b>Total</b>	<b>598.12</b>

Bifurcation of Cost for each of the above regions is given below:

**I. Africa and Middle East (MENA)**

<b>Nature of Expense</b>	<b>Amount (Rs. in lakhs)</b>
<b>Staff Costs- Business Development</b>	<b>72.00</b>
<b>Staff Costs- Sales</b>	<b>37.20</b>
<b>Digital Marketing, Website and Media Expenses</b>	<b>28.50</b>
<b>International Travel Expenses</b>	<b>23.40</b>
<b>Sponsorship/ Events Participation Expenses</b>	<b>23.15</b>
<b>Staff Costs- International Business Director</b>	<b>21.00</b>
<b>Public Relation Agency(ies) Expenses</b>	<b>18.00</b>
<b>Office Infrastructure Costs (Rent, Electricity and Others)</b>	<b>6.90</b>
<b>Seminars/ Conferences Participation Expenses</b>	<b>5.85</b>
<b>Promotional Videos/ Films making Expenses</b>	<b>3.00</b>
<b>Marketing Collaterals Expenses</b>	<b>2.13</b>
<b>Communication Expenses</b>	<b>1.80</b>
<b>Total</b>	<b>242.93</b>

The bifurcation of major expenses is given as under:

- a) Details of Digital Marketing, Website and Media Expenses:

<b>Particulars</b>	<b>Figures</b>
Estimated Social Media and Email Campaign Charged Per Month (Rs. in lakhs)	1.00
<b>Total Estimated Cost of Social Media and Email Campaign (Rs. in lakhs) in FY 2018-19 (A)</b>	<b>12.00</b>
Estimated Online Advertisement Charges on various platforms per month (Rs. in lakhs)	1.25
<b>Total Estimated Cost of Online Advertisement (Rs. in lakhs) in FY 2018-19 (B)</b>	<b>15.00</b>
<b>Language Change Expenses (Localisation) (C)</b>	<b>1.50</b>
<b>Total Estimated Digital Marketing, Website and Media Expenses (A+B+C)</b>	<b>28.50</b>

- b) Details of International Travel Expenses:

<b>Particulars</b>	<b>Figures</b>
Estimated Trips per month to MENA Region	2
Total Estimated Trips in the FY 2018-19	24
Travel Cost Per Trip (Rs. in lakhs)	0.60
<b>Total Estimated Cost of Trip (Travel Cost in lakhs of Rs.)</b>	<b>14.40</b>
Estimated Regional Travel expenses in MENA Region per month (Rs. in lakhs)	0.75
<b>Total Estimated Cost of Regional Travel in the FY 2018-19</b>	<b>9.00</b>
<b>Total Estimated International Travel Expenses</b>	<b>23.40</b>

- c) Details of Sponsorship/ Events Participation Expenses:

Name of the Event Proposed to be Participated	Estimated Area to be occupied (Sq. Mts.)	Rate per Square Meter (Rs. in lakhs)	Total Estimated Cost (Rs. in lakhs)
International Property Show-Dubai 09-11 April, 2018	20	0.39	7.74
Global Property Consultant Summit 28 June, 2018, Dubai	20	0.37	7.41
24th GCC Smart Government & Smart Cities Conference, Dubai, UAE	Lumpsum	N.A	7.00
Planning Africa 2018 October 14 - 17, 2018, Cape Town, South Africa	Lumpsum	N.A.	1.00
<b>Total Estimated Sponsorship/ Events Participation Expenses</b>			<b>23.15</b>

\* Above are the proposed events which our Company intends to attend and participate in, which is subject to postponement, cancellation or any change in their schedule.

d) Details of Public Relation Agency(ies) Expenses:

Particulars	Figures
No. of time PR Exercise would be conducted in FY 2018-19	6
Estimated Cost per exercise (Rs. in lakhs)	3.00
<b>Total Estimated Cost of PR Agency(ies) (Rs. in lakhs)</b>	<b>18.00</b>

e) Details of Seminars/ Conferences Participation Expenses:

Particulars	Figures
Estimated Total No. of Persons required for roadshows	60
Total No. of Seminars/ Conferences to be held in FY 2018-19	2
Estimated Cost Per Seminar/ Conference (Rs. in lakhs)	2.93
<b>Total Estimated Seminars/ Conferences Participation Expenses (Rs. in lakhs)</b>	<b>5.85</b>

f) Details of Promotional Video/ Films making Expenses:

Particulars	Total Estimated No. of Videos/ Films (Qty.)	Rate per Video/ Film (Rs. in lakhs)	Figures (Rs. in lakhs)
AutoDCR Video	1	0.60	0.60
BIMDCR Video	1	0.60	0.60
IBPS Video	1	0.60	0.60
OPTICON Video	1	0.60	0.60
PWIMS Video	1	0.60	0.60
<b>Total Estimated Promotional Video/ Films making Expenses</b>			<b>3.00</b>

g) Details of Marketing Collaterals Expenses:

<b>Particulars</b>	<b>Total Estimated No. of Collaterals (Qty.)</b>	<b>Rate per Collateral (Rs.)</b>	<b>Figures (Rs. in lakhs)</b>
SoftTech - Corporate Brochure	2500	55.00	1.38
Product Brochure –OPTICON	750	30.00	0.22
Product Brochure - Rule Buddy	1250	30.00	0.38
Product Brochure - IBPS	500	30.00	0.15
<b>Total Estimated Marketing Collaterals Expenses</b>			<b>2.13</b>

## **II. South East Asia and Australia (SEAA)**

<b>Nature of Expense</b>	<b>Amount (Rs. in lakhs)</b>
<b>Staff Costs- Sales</b>	<b>72.00</b>
<b>Sponsorship/ Events Participation Expenses</b>	<b>37.36</b>
<b>Staff Costs- Business Development</b>	<b>37.20</b>
<b>International Travel Expenses</b>	<b>25.80</b>
<b>Digital Marketing, Website and Media Expenses</b>	<b>22.50</b>
<b>Staff Costs- International Business Director</b>	<b>21.55</b>
<b>Office Infrastructure Costs (Rent, Electricity and Others)</b>	<b>4.97</b>
<b>Seminars/ Conferences Participation Expenses</b>	<b>5.85</b>
<b>Promotional Videos/ Films making Expenses</b>	<b>3.00</b>
<b>Marketing Collaterals Expenses</b>	<b>2.13</b>
<b>Communication Expenses</b>	<b>1.80</b>
<b>Total</b>	<b>234.16</b>

The bifurcation of major expenses is given as under:

a) Details of Sponsorship/ Events Participation Expenses:

<b>Name of the Event Proposed to be Participated*</b>	<b>Estimated Area to be occupied (Sq. Mts.)</b>	<b>Rate per Sq. Mtr. (Rs. in lakhs)</b>	<b>Total Estimated Cost (Rs. in lakhs)</b>
TRENCHLESS ASIA 7 -8 <sup>th</sup> May, 2018 , Malaysia	18	0.27	4.91
BuildTech Asia 22 - 24 October, 2018 , Singapore	12	0.20	2.45
CeBIT Australia 2018, Sydney, AUS May 15-17, 2018	Lumpsum	N.A.	10.00
12th Annual Technology in Government, Canberra, AUS, August 7-8, 2018	Lumpsum	N.A.	8.00
Auckland Build 2018, Auckland, NZ November 8-9, 2018	Lumpsum	N.A.	12.00
<b>Total Estimated Sponsorship/ Events Participation Expenses</b>			<b>37.36</b>

\* Above are the proposed events which our Company intends to attend and participate in, which is

*subject to postponement, cancellation or any change in their schedule.*

b) Details of International Travel Expenses:

<b>Particulars</b>	<b>Figures</b>
Estimated Trips per month to SEAA Region	1
Total Estimated Trips in the FY 2018-19	12
Travel Cost Per Trip (Rs. in lakhs)	0.90
<b>Total Estimated Cost of Trip (Travel Cost in lakhs of Rs.)</b>	<b>10.80</b>
Estimated Regional Travel expenses in SEAA Region per month (Rs. in lakhs)	1.25
<b>Total Estimated Cost of Regional Travel in the FY 2018-19</b>	<b>15.00</b>
<b>Total Estimated International Travel Expenses</b>	<b>25.80</b>

c) Details of Digital Marketing, Website and Media Expenses:

<b>Particulars</b>	<b>Figures</b>
Estimated Social Media and Email Campaign Charged Per Month (Rs. in lakhs)	1.00
<b>Total Estimated Cost of Social Media and Email Campaign (Rs. in lakhs) in FY 2018-19 (A)</b>	<b>12.00</b>
Estimated Online Advertisement Charges on various platforms per month (Rs. in lakhs)	0.75
<b>Total Estimated Cost of Online Advertisement (Rs. in lakhs) in FY 2018-19 (B)</b>	<b>9.00</b>
Language Change Expenses (Localisation) (C)	1.50
<b>Total Estimated Digital Marketing, Website and Media Expenses (A+B+C)</b>	<b>22.50</b>

d) Details of Seminars/ Conferences Participation Expenses:

<b>Particulars</b>	<b>Figures</b>
Estimated Total No. of Persons required for roadshows	60
Total No. of Seminars/ Conferences to be held in FY 2018-19	2
Estimated Cost Per Seminar/ Conference (Rs. in lakhs)	2.93
<b>Total Estimated Seminars/ Conferences Participation Expenses (Rs. in lakhs)</b>	<b>5.85</b>

e) Details of Promotional Video/ Films making Expenses:

<b>Particulars</b>	<b>Total Estimated No. of Videos/ Films (Qty.)</b>	<b>Rate per Video/ Film (Rs. in lakhs)</b>	<b>Figures (Rs. in lakhs)</b>
AutoDCR Video	1	0.60	0.60
BIMDCR Video	1	0.60	0.60
IBPS Video	1	0.60	0.60
OPTICON Video	1	0.60	0.60
PWIMS Video	1	0.60	0.60
<b>Total Estimated Promotional Video/ Films making Expenses</b>			<b>3.00</b>

f) Details of Marketing Collaterals Expenses:

<b>Particulars</b>	<b>Total Estimated No. of Collaterals (Qty.)</b>	<b>Rate per Collateral (Rs.)</b>	<b>Figures (Rs. in lakhs)</b>
SoftTech - Corporate Brochure	2500	55.00	1.38
Product Brochure –OPTICON	750	30.00	0.22
Product Brochure - Rule Buddy	1250	30.00	0.38
Product Brochure - IBPS	500	30.00	0.15
<b>Total Estimated Marketing Collaterals Expenses</b>			<b>2.13</b>

### III. India

<b>Nature of Expense</b>	<b>Amount (Rs. in lakhs)</b>
<b>Digital Marketing, Website and Media Expenses</b>	<b>34.50</b>
<b>Promotional Videos/ Films making Expenses</b>	<b>12.00</b>
<b>Seminars/ Conferences Participation Expenses</b>	<b>10.00</b>
<b>Sponsorship/ Events Participation Expenses</b>	<b>8.62</b>
<b>Public Relation Agency(ies) Expenses</b>	<b>6.00</b>
<b>Marketing Collaterals Expenses</b>	<b>4.25</b>
<b>Total</b>	<b>75.37</b>

The bifurcation of major expenses is given as under:

- a) Details of Digital Marketing, Website and Media Expenses:

<b>Particulars</b>	<b>Figures</b>
Estimated Social Media and Email Campaign Charges Per Month (Rs. in lakhs)	1.50
<b>Total Estimated Cost of Social Media and Email Campaign (Rs. in lakhs) in FY 2018-19 (A)</b>	<b>18.00</b>
Estimated Online Advertisement Charges on various platforms per month (Rs. in lakhs)	0.75
<b>Total Estimated Cost of Online Advertisement (Rs. in lakhs) in FY 2018-19 (B)</b>	<b>9.00</b>
Website design and development (C)	2.50
Products Micro websites (D)	5.00
<b>Total Estimated Digital Marketing, Website and Media Expenses (A+B+C)</b>	<b>34.50</b>

- b) Details of Promotional Video/ Films making Expenses:

<b>Particulars</b>	<b>Total Estimated No. of Videos/ Films (Qty.)</b>	<b>Rate per Video/ Film (Rs. in lakhs)</b>	<b>Figures (Rs. in lakhs)</b>
Corporate Video	5	0.60	3.00
AutoDCR Video	3	0.60	1.80
BIMDCR Video	3	0.60	1.80
IBPS Video	3	0.60	1.80
OPTICON Video	3	0.60	1.80
PWIMS Video	3	0.60	1.80
<b>Total Estimated Promotional Video/ Films making Expenses</b>			<b>12.00</b>

c) Details of Seminars/ Conferences Participation Expenses:

<b>Particulars</b>	<b>Figures</b>
Estimated Total No. of Cities where roadshows would be conducted	5
Estimated Cost Per Seminar/ Conference (Per City) (Rs. in lakhs)	2.00
<b>Total Estimated Seminars/ Conferences Participation Expenses (Rs. in lakhs)</b>	<b>10.00</b>

d) Details of Sponsorship/ Events Participation Expenses

<b>Name of the Event Proposed to be Participated*</b>	<b>Estimated Area to be occupied (Sq. Mts.)</b>	<b>Rate per Sq. Mtr. (Rs. in lakhs)</b>	<b>Total Estimated Cost (Rs. in lakhs)</b>
Bauma CONEXPO INDIA 11 -14 Dec 2018, Delhi	18	0.10	1.78
World Build India 19 - 21 April 2018, Mumbai	18	0.10	1.80
The Big 5 Construct September 18, 2018 Mumbai	18	0.12	2.07
Economic Times ACETECH 26 - 18 October 2018 , Bangalore	30	0.17	2.97
<b>Total Estimated Sponsorship/ Events Participation Expenses</b>			<b>8.62</b>

\* Above are the proposed events which our Company intends to attend and participate in, which is subject to postponement, cancellation or any change in their schedule.

e) Details of Marketing Collaterals Expenses:

<b>Particulars</b>	<b>Total Estimated No. of Collaterals (Qty.)</b>	<b>Rate per Collateral (Rs.)</b>	<b>Figures (Rs. in lakhs)</b>
SoftTech - Corporate Brochure	5000	55.00	2.75
Product Brochure –OPTICON	1500	30.00	0.45
Product Brochure - Rule Buddy	2500	30.00	0.75
Product Brochure - IBPS	1000	30.00	0.30
<b>Total Estimated Marketing Collaterals Expenses</b>			<b>4.25</b>

**IV. Rest of World (USA and Europe)**

<b>Nature of Expense</b>	<b>Amount (Rs. in lakhs)</b>
<b>Sponsorship/ Events Participation Expenses</b>	<b>26.00</b>
<b>Digital Marketing, Website and Media Expenses</b>	<b>7.50</b>
<b>International Travel Expenses</b>	<b>7.50</b>
<b>Promotional Videos/ Films making Expenses</b>	<b>3.00</b>
<b>Marketing Collaterals Expenses</b>	<b>1.06</b>
<b>Communication Expenses</b>	<b>0.60</b>
<b>Total</b>	<b>45.66</b>

The bifurcation of major expenses is given as under:

- a) Details of Sponsorship/ Events Participation Expenses:

<b>Name of the Event Proposed to be Participated*</b>	<b>Estimated Area to be occupied (Sq. Mts.)</b>	<b>Rate per Sq. Mtr. (Rs.)</b>	<b>Total Estimated Cost (Rs. in lakhs)</b>
Public Works Summit, Scottsdale, Arizona, USA, November 16-18	Lumpsum	N.A.	8.00
Smart City Event, The Hague (Netherlands) June 27-28	Lumpsum	N.A.	8.00
Smart City Expo World Congress, Barcelona November 13-15	Lumpsum	N.A.	10.00
<b>Total Sponsorship/ Events Participation Expenses</b>			<b>26.00</b>

\* Above are the proposed events which our Company intends to attend and participate in, which is subject to postponement, cancellation or any change in their schedule.

b) Details of Digital Marketing, Website and Media Expenses:

<b>Particulars</b>	<b>Figures</b>
Estimated Social Media and Email Campaign Charged Per Month (Rs. in lakhs)	0.50
<b>Total Estimated Cost of Social Media and Email Campaign (Rs. in lakhs) in FY 2018-19 (A)</b>	<b>6.00</b>
<b>Language Change Expenses (Localisation) (B)</b>	<b>1.50</b>
<b>Total Estimated Digital Marketing, Website and Media Expenses (A+B)</b>	<b>7.50</b>

c) Details of Promotional Video/ Films making Expenses:

<b>Particulars</b>	<b>Total Estimated No. of Videos/ Films (Qty.)</b>	<b>Rate per Video/ Film (Rs. in lakhs)</b>	<b>Figures (Rs. in lakhs)</b>
AutoDCR Video	1	0.60	0.60
BIMDCR Video	1	0.60	0.60
IBPS Video	1	0.60	0.60
OPTICON Video	1	0.60	0.60
PWIMS Video	1	0.60	0.60
<b>Total Estimated Promotional Video/ Films making Expenses</b>			<b>3.00</b>

d) Details of Marketing Collaterals Expenses:

<b>Particulars</b>	<b>Total Estimated No. of Collaterals (Qty.)</b>	<b>Rate per Collateral (Rs.)</b>	<b>Figures (Rs. in lakhs)</b>
SoftTech - Corporate Brochure	1250	55.00	0.69
Product Brochure –OPTICON	375	30.00	0.11
Product Brochure - Rule Buddy	625	30.00	0.19
Product Brochure - IBPS	250	30.00	0.07
<b>Total Estimated Marketing Collaterals Expenses</b>			<b>1.06</b>

**3. Repayment/ Pre-payment of certain unsecured borrowings availed by our Company:**

We avail majority of our fund requirements in the ordinary course of business from various banks, financial institutions and unsecured loans from related parties. For further details of the loans availed by our Company, see chapter titled “*Financial Indebtedness*” on page 231 of this Red Herring Prospectus.

M/s. S.D. Dale & Company, Chartered Accountants vide Certificate dated March 28, 2018 has confirmed that our company has Rs. 203.47 lakhs of Unsecured Loans which are proposed to be repaid/ prepaid from the Net Proceeds. We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness. We believe that reducing our indebtedness will result in enhanced equity base, reduce our financial costs, improve our profitability and improve our leverage capacity.

The details of the proposed repayment of the loans are provided below:

Name of Lender	Amount Outstanding as on March 28, 2018 (in lakhs)	Nature of facility	Rate of Interest (%)	Security	Tenure	Purpose	Utilisation	Repayment from the Net Proceeds of the Offer (Rs. in lakhs)
Bajaj Finance Limited	23.41	Long Term	19.25%	Unsecured Loan	48 Months	Business Loan	For Business	23.41
Capital First Limited	5.47	Long Term	19.00%	Unsecured Loan	36 Months	Business Loan	For Business	5.47
Edelweiss Retail Finance Limited	9.40	Long Term	17.50%	Unsecured Loan	36 Months	Business Loan	For Business	9.40
HDFC Bank Limited	41.89	Long Term	15.00%	Unsecured Loan	48 Months	Business Loan	For Business	41.89
Kotak Mahindra Bank Limited -I	4.04	Long Term	19.84%	Unsecured Loan	36 Months	Business Loan	For Business	4.04
Kotak Mahindra Bank Limited -II	41.95	Long Term	15.61%	Unsecured Loan	36 Months	Business Loan	For Business	41.95
Religare Enterprises Limited	4.97	Long Term	19.21%	Unsecured Loan	36 Months	Business Loan	For Business	4.97
TATA Capital Financial Services Limited	13.32	Long Term	18.65%	Unsecured Loan	36 Months	Business Loan	For Business	13.32
Standard Chartered Bank Limited	59.02	Long Term	15.00%	Unsecured Loan	36 Months	Business Loan	For Business	59.02
<b>Total</b>	<b>203.47</b>							<b>203.47</b>

#### 4. General Corporate Purposes

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance

Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) strategic initiatives, and
- (ii) on-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

### **OFFER RELATED EXPENSES**

The expenses for this Offer include offer management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Offer are estimated not to exceed Rs. [●] Lakhs.

Expenses	Expenses (Rs. in Lakhs)*	Expenses (% of total Offer expenses)	Expenses (% of Gross Offer Proceeds)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	[●]	[●]	[●]
Regulatory fees	[●]	[●]	[●]
Marketing and Other Expenses	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

*\*As on the date of this Red Herring Prospectus, our Company has incurred Rs. 11.24 Lakhs towards Offer Expenses out of internal accruals.*

*\*\*SCSBs will be entitled to a processing fee of Rs. 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.*

*Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.01% on the Allotment Amount on the Applications wherein shares are allotted.*

*The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.*

*#Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

### **BRIDGE FINANCING**

We have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance project requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance project requirements will be repaid from the Net Proceeds of the Offer.

### **APPRAISAL BY APPRAISING AGENCY**

The fund requirement 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 Net Proceeds for the Objects of the Offer 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 utilization of the Net Proceeds as described above, it shall not use the funds from the Net Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

## **MONITORING UTILIZATION OF FUNDS**

As the size of the Fresh Issue does not exceed Rs 10,000 lakhs in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Offer. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Red Herring Prospectus.

## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorized to do so by the Shareholders by way of a special resolution passed through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office of the Company is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## **OTHER CONFIRMATIONS**

No part of the Net Proceeds will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Managerial Personnel or Group Companies, except in the normal course of business and in compliance with the applicable laws.

## BASIS FOR OFFER PRICE

The Offer Price of Rs. [●] per Equity Share will be determined by the Company and Selling Shareholder, in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs.10 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should read the following basis information along with sections titled “*Risk Factors*” and “*Financial Statements as Restated*”, beginning on pages 22 and 212, respectively of this Red Herring Prospectus, to have a more informed view before making an investment decision. The trading price of Equity Shares 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:

- Domain focus
- Qualified and experienced personnel
- Focus on driving innovation
- Established long term relationship with clients

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 151 of this Red Herring Prospectus.

## QUANTITATIVE FACTORS

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

### 1. Earnings per Share (EPS) as per Accounting Standard 20:

Year/ Period ended	Basic & Diluted EPS (Rs.)	Weight
March 31, 2017	8.75	3
March 31, 2016	6.10	2
March 31, 2015	3.48	1
<b>Weighted average</b>		<b>6.99</b>
<b>For the period October 31, 2017*</b>		<b>3.68</b>

\*Not Annualized

### Note:-

- The earnings per share has been computed by dividing net profit (loss) as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the period / year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.
- Our Company issued 35,25,638 Equity Shares as fully paid Bonus Shares to its existing shareholders on February 06, 2018 in the ratio of 1:1. For the purpose of calculating the Earnings Per Share above, these bonus shares have been considered in the calculation of weighted average number of Equity Shares.

**2. Price to Earnings (P/E) ratio in relation to Offer Price of Rs. [●] per Equity Share of Rs. 10 each fully paid up:**

Particulars	P/E Ratio on Cap Price	PE Ratio on Floor Price
P/E ratio based on Basic EPS for FY 2016-17	[●]	[●]
P/E ratio based on Weighted Average EPS	[●]	[●]
<b>*Industry P/E</b>		
Highest		28.19
Lowest		14.18
Average		21.41

\* Industry Composite comprises of Ramco Systems Limited, Ceinsys Tech Limited, Cyber Tech Systems and Softwares Limited and Newgen Software Technologies Limited.

**3. Return on Net worth (RoNW):**

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

Year/ Period ended	RoNW (%)	Weight
March 31, 2017	20.00	3
March 31, 2016	15.31	2
March 31, 2015	9.99	1
<b>Weighted Average</b>		<b>16.77%</b>
<b>For the period October 31, 2017*</b>		<b>7.87 %</b>

\*Not Annualised

**Note:** The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year excluding revaluation reserve. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company.

**4. Minimum Return on Total Net Worth post offer needed to maintain Pre Offer EPS for the year ended March 31, 2017**

Particulars	Amount (in Rs.)
At Floor Price	[●]
At Cap Price	[●]

**5. Net Asset Value (NAV)**

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2017	43.74
Net Asset Value per Equity Share as of October 31, 2017	46.80
Net Asset Value per Equity Share after the Offer-At Floor Price	[●]
Net Asset Value per Equity Share after the Offer-At Cap Price	[●]
Net Asset Value per Equity Share after the Offer	[●]
Offer Price per equity share	[●]

Net Asset Value per Equity Share has been calculated as net worth as per Restated Financial Statements divided by number of equity shares outstanding at the end of the period.

Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company. Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

Our Company issued 35,25,638 Equity Shares as fully paid Bonus Shares to its existing shareholders on February 06, 2018 in the ratio of 1:1. For the purpose of calculating the NAV above, these bonus shares have been taken into account.

#### **6. Comparison with other listed companies**

<b>Companies</b>	<b>CMP*</b>	<b>EPS (Basic)</b>	<b>EPS (Diluted)</b>	<b>PE Ratio</b>	<b>RONW %</b>	<b>NAV (Per Share)</b>	<b>Face Value</b>	<b>Total Income (In Lakhs)</b>
SoftTech Engineers Limited	[●]	8.75	8.75	[●]	20.00%	43.72	10.00	4,711.63
<b>Peer Group**</b>								
Ramco Systems Limited	473.95	16.81	28.19	22.19	7.40%	225.33	10.00	28,771.20
Ceinsys Tech Limited	167.00	11.78	14.18	15.70	20.18%	58.14	10.00	16,157.45
Cyber Tech Systems and Softwares Limited	70.55	3.78	18.66	15.08	12.16%	31.04	10.00	6,591.15
Newgen Software Technologies Limited	244.05	9.92	24.60	22.79	17.70%	42.79	10.00	38,977.86

\*CMP for our Company is considered as Issue Price

\*\*Source: [www.bseindia.com](http://www.bseindia.com)

#### **Notes:**

1. Considering the size of business of the Company, the peers are not strictly comparable. However, same have been included for broad comparison.
2. The figures for SoftTech Engineers Limited are based on the restated financial results for the year ended March 31, 2017
3. The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2017
4. Current Market Price (CMP) is the closing prices of respective scripts as on April 13, 2018.
5. NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.
6. P/E Ratio has been computed based on the closing market price of equity shares on April 13, 2018 divided by the Basic EPS.
7. RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves).

8. The Offer Price of SoftTech Engineers Limited will be Rs. [●] per Equity Share. SoftTech Engineers Limited is a Book Built issue and price band for the same shall be published 5 working days before opening of the Issue in English and Hindi national newspapers and one regional newspaper with wide circulation.
9. The Offer Price of Rs [●] will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

## **STATEMENT OF TAX BENEFITS**

To  
**The Board of Directors**  
**SoftTech Engineers Limited**  
**Unit 5A, The Pentagon, Near Pune-Satara Road,**  
**Telephone Exchange, Shahu College Road,**  
**Pune – 411009**

Dear Sirs,

**Sub: Proposed initial public offering of equity shares of face value of ₹10 each (the “Equity Shares”) of SoftTech Engineers Limited (the “Issuer”/“Company” and such offering, the “Offer”)**

1. This report is issued in accordance with the terms of our engagement letter dated 22 March 2018.
2. The accompanying ‘Statement of Possible Special Tax Benefits available to the Company and its Shareholders’ (hereinafter referred to as “Statement”) under the Income tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2017 (hereinafter referred to as the “Income Tax Regulations”) has been prepared by the management of the Company in connection with the Offer. We have initialed the Statement for identification purposes only.

### **Management’s Responsibility**

3. The preparation of this Statement as of the date of our report, which is to be included in the Red Herring Prospectus (the “Offer Document”) is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 11 April 2018 for the purpose set out in paragraph 10 below. The management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

### **Auditor’s Responsibility**

4. Our work has been carried out in accordance with Standards on Auditing, as per the ‘Guidance Note on Audit Reports or Certificates for Special Purposes (Revised 2016)’ and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.
5. Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“Regulations”) and the Companies Act, 2013 (‘Act’), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of 11 April 2018 to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Offer.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

### **Inherent Limitations**

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information

The benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

Further, we give no assurance that the Revenue authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

### **Opinion**

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of 11 April 2018, to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.

Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

- (i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or
- (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

### **Restriction on Use**

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Document, prepared in connection with the Offer, to be filed by the Company with the Securities and Exchange Board of India (SEBI) and the concerned stock exchange.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

**Bharat Shetty**  
Partner  
Membership No.: 106815

Pune  
12 April 2018

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

Outlined below are the tax benefits available to the Company and its shareholders under the current direct tax laws in India.

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

#### **Section 80JJAA of the Act:**

In accordance and subject to compliance with the conditions specified under section 80JJAA of the Act, an enterprise would be eligible for additional deduction equal to thirty per cent of the additional employee cost incurred during a Financial Year (“FY”). The aforementioned tax benefit is available for the FY during which the additional employees are recruited and for two succeeding FYs.

As per section 80JJAA of the Act, additional employee cost means total emoluments paid / payable (amounts paid / payable to the employees by cheque / draft / electronic transfer) to the additional employees recruited during the year.

Further, additional employee means an employee recruited during the FY, **other than**:

- An employee whose total emoluments are more than INR 25,000 per month;
- An employee employed for a period of less than 240 days during the FY; and
- An employee who does not participate in a recognised provident fund

The Company is entitled to and has claimed deduction under section 80JJAA of the Act from its business income in the return of income for FY 2016-17(AY 2017-18), to the tune of 30% of the additional employee cost incurred by it during the said FY.

Subject to fulfilment of conditions prescribed under section 80JJAA of the Act, the Company would be eligible to claim deduction of equivalent amount in two succeeding FYs, viz. FY 2017-18 and FY 2018-19.

Further, in FY 2017-18 and subsequent FYs, the Company may also be eligible to claim deduction, to the tune of 30% of additional employee cost incurred during a particular FY, from its total income for that year and for two succeeding FYs, subject to:-

- the provisions of section 80JJAA of the Act being in force in the same form as they stand as on the date of this certificate; and
- the Company fulfilling the underlying conditions.

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

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

#### **Notes:**

1. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of his or her participation in the issue.
3. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:
  - i. the Company or its shareholders will continue to obtain these benefits in future;
  - ii. the conditions prescribed for availing the benefits have been/would be met with; and
  - iii. the Revenue Authorities/courts will concur with the view expressed herein.
4. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

## **SECTION IV. ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLMs, or any of our or their respective affiliates or advisors. 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.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 22 and 212 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.

#### **INTRODUCTION TO IT & ITes INDUSTRY**

The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. The global IT & ITeS market (excluding hardware) reached US\$ 1.2 trillion in 2016-17, while the global sourcing market increased by 1.7 times to reach US\$ 173-178 billion. India remained the world's top sourcing destination in 2016-17 with a share of 55 per cent. Indian IT & ITeS companies have set up over 1,000 global delivery centres in over 200 cities around the world.

More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centres in India.

The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science. The Indian IT and ITeS industry is divided into four major segments – IT services, Business Process Management (BPM), software products and engineering services, and hardware.

India has come out on top with the highest proportion of digital talent in the country at 76 per cent compared to the global average of 56 per cent!.

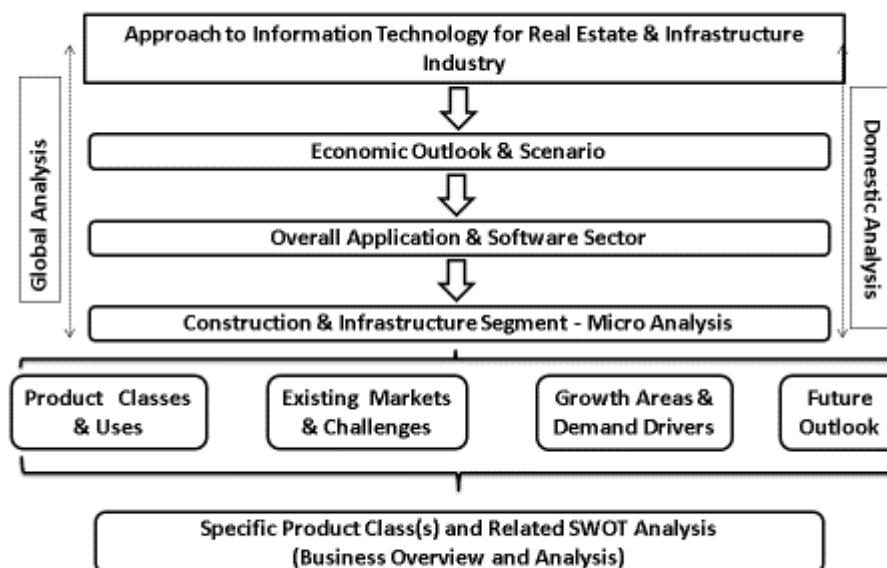
(Source: IT & ITes Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

#### **APPROACH TO INFORMATION TECHNOLOGY FOR REAL ESTATE & INFRASTRUCTURE INDUSTRY ANALYSIS**

Analysis of Information Technology for Real Estate & Infrastructure Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Information Technology for Real Estate & Infrastructure Industry forms part of Software Sector at a macro level. Hence, broad picture of IT Sector should be at preface while analysing the Information Technology for Real Estate & Infrastructure Industry.

Software Sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Software Sector is “IT Industry”, which in turn encompasses various segments such as Information Technology for Real Estate & Infrastructure.

Thus, the micro analysis of segments such as Information Technology for Real Estate & Infrastructure should be analysed in the light of “Construction & Infrastructure Sector” at large. An appropriate view on Software for Construction & Infrastructure Segment, then, calls for the overall economic outlook, performance and expectations of Software Sector, position of IT Industry and micro analysis thereof.



This Approach Note is developed by Pantomath Capital Advisors (P) Ltd (“Pantomath”) and any unauthorized reference or use of this Note, whether in the context IT for Real Estate & Infrastructure Industry or any other industry, may entail legal consequences.

## GLOBAL ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach \$61 per barrel by the end of the year.

Even as global growth and commodity prices have surged, inflation has remained remarkably quiescent, remaining below 2 percent in the main advanced regions. Consequently, monetary policies in the US, Eurozone and Japan have remained highly accommodative despite a strong recovery. These unusual settings—rapid growth, ultra-low interest rates—at a late stage in the economic cycle have produced

the rarest of combinations: record-high bond prices and stock market valuations, both at the same time. The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary fiscal policies, while advanced country monetary policies remain stimulative and world trade continues to grow briskly.

What are the risks? Of course, there are the usual geo-political and geo-economic risks: war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) in advance of the planned listing of the Saudi Arabian oil company, Aramco, which could force oil prices even higher; a final reckoning from China's unprecedented credit surge in the form of capital controls, slowdown in growth, and a sharply depreciating currency with consequences for the global economy (Economic Survey, 2016-17, Chapter 1); and trade tensions that could lead to skirmishes, and then spiral out of control. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:

- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.
- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates rise—or if markets even sense that central banks will need to shift their stance—both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

What would happen to growth if asset prices correct? Surely, the impact would be far smaller than it was in 2007-09, because advanced countries are far less vulnerable than they were a decade ago. In particular, the leverage tied to these assets is much lower, which would minimize contagious propagation; while banks are much better buffered, with higher levels of capital and core deposits, and lower levels of risky assets.

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

In sum, assessing future risks hinges on two calls: interest rate policy and asset valuations. On policy, extraordinarily low rates have, to paraphrase Paul Krugman, become “an obsession in search of a justification.” Initially justified by the dislocations caused by the Global Financial Crisis, then by large output gaps, they are now defended on the grounds that inflation remains weak, even as the slack in product and labor markets is disappearing rapidly. Will the gathering new evidence on closing output gaps and rising employment dispel that obsession?

On valuations, the prognosticator must navigate a narrow strait: steering clear of the “Cry of Wolf” trap (bond prices will finally, finally correct, having defied the prediction of correction in each of the last several years), without succumbing to the siren call of “This Time is Different” (stock valuations are sustainable this time because interest rates will remain at historic lows).

(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## OVERVIEW OF INDIA'S ECONOMIC PERFORMANCE IN 2017-18

### Economic activity

The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).

Figure 19. Sale of Motorcycles  
(Seasonally adjusted, in thousands)

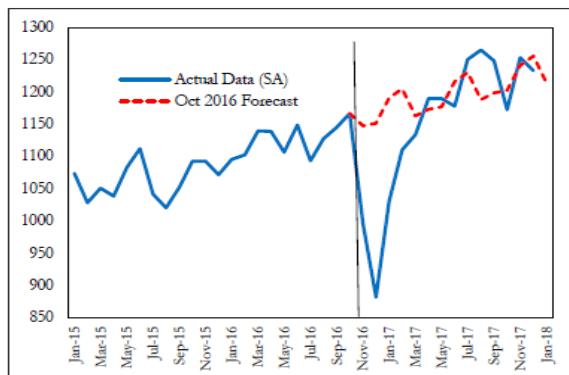
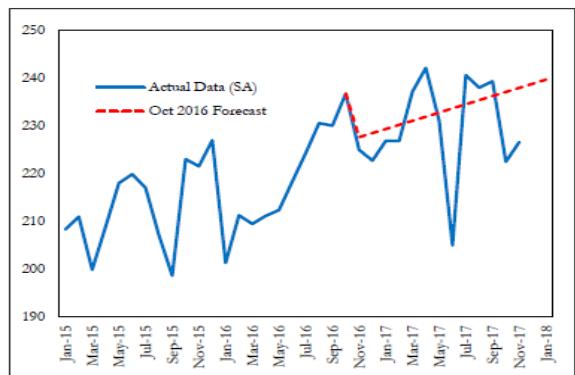


Figure 20. Sale of Passenger Cars  
(Seasonally adjusted, in thousands)

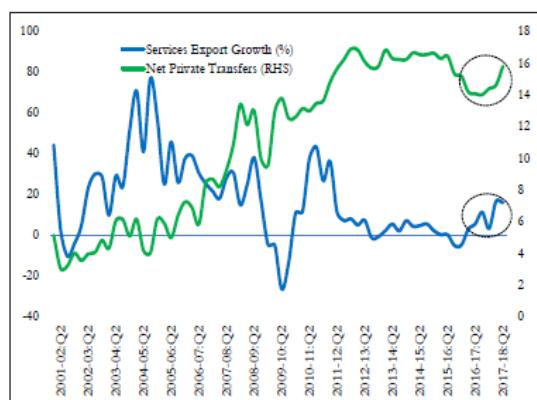


Source: Society for Indian Automobile Manufacturers, Survey calculations.

Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

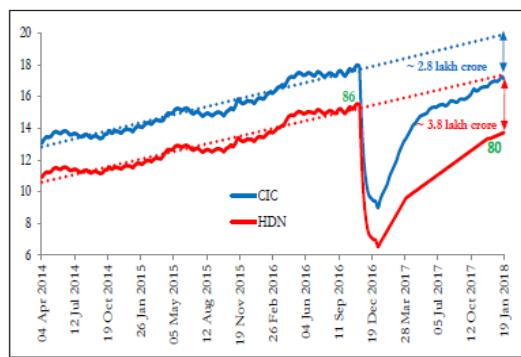
On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh Crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakh Crores less high denomination notes (2.5 percent of GDP).

**Figure 21. Services Export Growth (percent) and Net Private Remittances (in US\$ billion)**



Source: RBI, Survey calculations.

**Figure 22. Currency in Circulation (CIC) and High Denomination Notes (HDN) (In Rs. lakh crore)**



Source: RBI, Survey calculations; Numbers in green denote HDN as share of CIC.

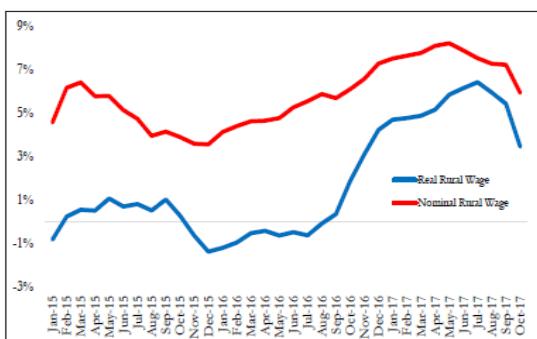
A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest (Box 6). In other words, the twin engines that propelled the economy's take-off in the mid-2000s – exports and investment – are continuing to run below take-off speed.

Meanwhile, developments in the agriculture sector bear monitoring. The trend acceleration in rural wages (agriculture and non-agriculture), which had occurred through much of 2016 because of increased activity on the back of a strong monsoon, seems to have decelerated beginning just before the kharif season of 2017-18 (Figure 23) but it is still greater than much of the last three years. Three crop-specific developments are evident. Sowing has been lower in both kharif and rabi, reducing the demand for labor. The acreage for kharif and rabi for 2017-18 is estimated to have declined by 6.1 percent and 0.5 percent, respectively. Pulses and oilseeds have seen an increase in sowing, but this has translated into unusually low farmgate prices (below their minimum support price, MSP), again affecting farm revenues. The so-called TOP perishables (tomatoes, onions, and potatoes) have meanwhile fluctuated between high and low prices, engendering income uncertainty for farmers.

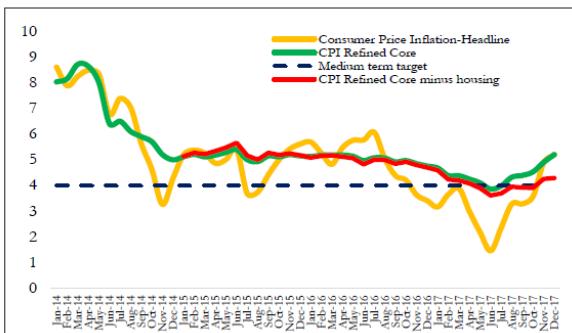
The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.

**Figure 23. Real and Nominal Rural Wages Growth (percent, 3 month moving average)**



Source: Labour Bureau, Survey calculations.

**Figure 24. Inflation: CPI and Variants\* (percent, year-on-year)**



Source: MoSPI, Survey calculations.

\*CPI Refined Core is obtained by stripping out the volatile food and fuel components.

Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. This implies average CPI inflation in the last quarter of 5 percent, in line with the RBI's forecast. Therefore, the GDP deflator is expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSO's forecast of 2.8 percent. Consequentially, nominal GDP growth is estimated at 10.5 percent, compared with the CSO's 9.5 percent estimate.

(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## OUTLOOK FOR 2018-19

The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

Consider the components of demand that will influence the growth outlook. The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 percent per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices.

Private investment seems poised to rebound, as many of the factors exerting a drag on growth over the past year finally ease off. Translating this potential into an actual investment rebound will depend on the resolution and recapitalization process. If this process moves ahead expeditiously, stressed firms will be put in the hands of stronger ownership, allowing them to resume spending. But if resolution is delayed, so too will the return of the private capex cycle. And if this occurs public investment will not be able to step into the breach, since it will be constrained by the need to maintain a modicum of fiscal consolidation to head off market anxieties.

Consumption demand, meanwhile, will encounter different tugs. On the positive side, it will be helped by the likely reduction in real interest rates in 2018-19 compared to the 2017-18 average. At the same time, average oil prices are forecast by the IMF to be about 12 percent higher in 2018-19, which will crimp real incomes and spending—assuming the increase is passed on into higher prices, rather than absorbed by the budget through excise tax reductions or by the oil marketing companies. And if higher oil prices require tighter monetary policy to meet the inflation target, real interest rates could exert a drag on consumption.

Putting all these factors together, a pick-up in growth to between 7 and 7.5 percent in 2018-19 can be forecasted, re-instating India as the world's fastest growing major economy. This forecast is subject to upside potential and downside risks. The biggest source of upside potential will be exports. If the relationship between India's exports and world growth returns to that in the boom phase, and if world growth in 2018 is as projected by the IMF, then that could add another  $\frac{1}{2}$  percentage point to growth.

Another key determinant of growth will be the implementation of the IBC process. Here timeliness in resolution and acceptance of the IBC solutions must be a priority to kick-start private investment. The greater the delays in the early cases, the greater the risk that uncertainty will soon shroud the entire IBC process. It is also possible that expeditious resolution may require the government to provide more resources to PSBs, especially if the haircuts required are greater than previously expected, the ongoing process of asset quality recognition uncovers more stressed assets, and if new accounting standards are implemented.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise. One eventuality to guard against is a classic emerging market "sudden stall" induced by sharp corrections to elevated stock prices. (Box 9 suggests that India's stock price surge is different from that in other countries but does not warrant sanguine-ness about its sustainability.) Savers, already smarting from reduced opportunities in the wake of demonetization, from depressed gold prices, and from lower nominal interest rates, would feel aggrieved, leading to calls for action. Stock price corrections could also trigger capital outflows, especially if monetary policy unwinds less hesitantly in advanced countries and if oil prices remain high. Policy might then have to respond with higher interest rates, which could choke off the nascent recovery. The classic emerging market dilemma of reconciling the trade-off between macro-stability and growth could then play itself out.

A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidation—especially in a pre-election year—based on optimistic forecasts that carry a high risk of not being realized will not garner credibility either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## IT & ITes INDUSTRY IN INDIA

### Market Size

The internet industry in India is likely to double to reach US\$ 250 billion by 2020, growing to 7.5 per cent of gross domestic product (GDP). The number of internet users in India is expected to reach 730 million by 2020, supported by fast adoption of digital technology, according to a report by National Association of Software and Services Companies (NASSCOM).

Indian IT exports are projected to grow at 7-8 per cent in 2017-18, in addition to adding 130,000-150,000 new jobs during the same period.

Indian IT and BPM industry is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue.

E-commerce market in India is set to grow at 30 per cent annually to hit US\$ 200 billion gross merchandise value by 2026.

Indian technology companies expect India's digital economy to have the potential to reach US\$ 4 trillion by 2022, as against the Government of India's estimate of US\$ 1 trillion.

Rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India over the next five years creating opportunities for new businesses, as per private equity and venture capital firm Omidyar Network.

Digital payment in India is expected to grow from 32 per cent in 2013-14 to 62 percent in 2017-18 in terms of volume of transactions.

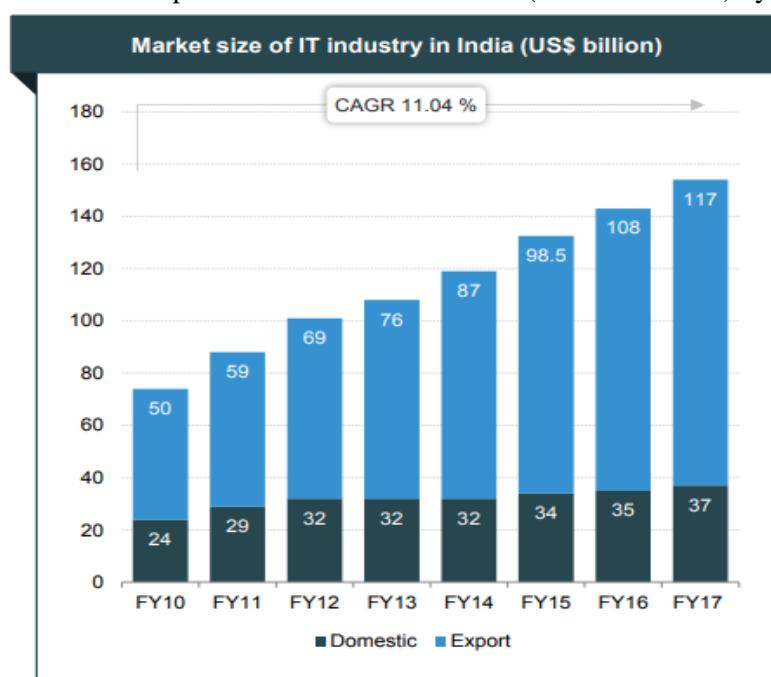
Employees from 12 Indian start-ups, such as Flipkart, Snapdeal, Makemytrip, Naukri, Ola, and others, have gone on to form 700 start-ups on their own, thus expanding the Indian start-up ecosystem.! India ranks third among global start-up ecosystems with more than 4,200 start-ups##.

Total spending on IT by banking and security firms in India is expected to grow 8.6 per cent year-on-year to US\$ 7.8 billion by 2017!!.

Personal Computer (PC) shipments from India grew 20.5 per cent y-o-y to reach 3.03 million during July-September 2017. The growth was backed by strong consumer demand and special projects.

The public cloud services market in India is slated to grow 35.9 per cent to reach US\$ 1.3 billion according to IT consultancy, Gartner. Increased penetration of internet (including in rural areas) and rapid emergence of e-commerce are the main drivers for continued growth of data centre co-location and hosting market in India. The Indian Healthcare Information Technology (IT) market is valued at US\$ 1 billion currently and is expected to grow 1.5 times by 2020. India's business to business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2020 whereas the business to consumer (B2C) e-commerce market is expected to reach US\$ 102 billion by 2020.

Cross-border online shopping by Indians is expected to increase 85 per cent in 2017, and total online spending is projected to rise 31 per cent to Rs 8.75 lakh crore (US\$ 128 billion) by 2018.



(Source: IT & ITes Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

### **Investments/ Developments**

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows US\$ 27.72 billion from April 2000 to September 2017, according to data released by the Department of Industrial Policy and Promotion (DIPP).

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

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

- India ranked ninth out of the 14 countries in the latest report of the Korn Ferry Digital Sustainability Index (DSI), outperforming countries such as China, Russia and Brazil.
- The flexi staffing market in the information technology (IT) sector in India stood at US\$ 3.04 billion in FY 2016-17 and is estimated to grow at a Compound Annual Growth Rate (CAGR) of 14-16 per cent to reach US\$ 5.3 billion by 2021.
- Private Equity (PE) investments in India's IT & ITeS sector, in terms of deal value, increased 93 per cent year-on-year in Q2 2017 to reach US\$ 2.7 billion
- Exports of software services from India increased 10.3 per cent year-on-year to reach US\$ 97.1 billion in FY 2016-17, according to the Reserve Bank of India's (RBI) 'Survey on Computer Software & Information Technology Enabled Services Exports: 2016-17'.
- Spending on artificial intelligence (AI) by Indian companies is expected to increase by 8-11 per cent over the coming 18 months backed by rising influence of AI-based solutions across verticals, as per a report by Intel.
- India plans to create wireless Technology 5G by the end of the year 2020 which will help India in realising its most important goals of "Increasing the GDP rate", "Creating Employment" and "Digitizing the Economy".
- The mobile wallet industry is expected to maintain its current pace of expansion and the value of its transaction is expected to reach Rs 32 trillion (US\$ 480 billion) by 2022, growing at a rate of 126 per cent.

### **Government Initiatives**

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

- The Government of India is going to explore new opportunities in various sectors such as providing BPO service from home, digital healthcare and agriculture to achieve the target of making India a US\$ 1 trillion digital economy.
- The Government of Andhra Pradesh is targeting to attract investments worth US\$ 2 billion and create 100,000 jobs in the information technology (IT) sector in the state, stated Mr N Chandrababu Naidu, Chief Minister, Andhra Pradesh.
- The Government of Telangana is targeting to provide broadband connection to every household in the state by 2018, which is expected to lead to revolutionary changes in the education and health sectors.
- Mr Manoj Sinha, Minister of Communications, Government of India, launched project DARPAN - digital advancement of rural post office for a new India, for improving the quality and adding value to services and achieving financial inclusion for the unbanked rural population.
- Mr Ram Nath Kovind, President of India, has dedicated four projects, such as Andhra Pradesh Fibregrid, Andhra Pradesh Surveillance Project, Drone Project and Free Space Optical Communication (FSOC) to the people of Andhra Pradesh.

- The Government of India is planning to set wifi facility for around 5.5 lakh villages by March 2019 with an estimated investment of Rs 3,700 crore (US\$ 555 million) and the government expects to start broadband services with about 1,000 megabit per second (1 gbps) across 1 lakh gram panchayats by the end of this year.

### Road Ahead

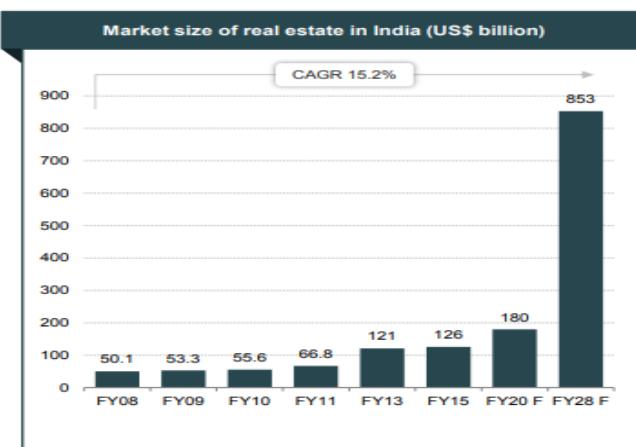
India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. US\$ 150 billion Indian IT industry's export revenue to grow at 7-8% and domestic market revenue is projected to grow at 10-11 per cent in 2017-18.

Exchange Rate Used: INR 1 = US\$ 0.015 as on January 04, 2018

(Source: IT & ITes Industry in India, February 2018 India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

### **REAL ESTATE INDUSTRY IN INDIA**

- Real estate contribution to India's GDP is estimated to increase to about 13 per cent by 2028
- The market size of real estate in India is expected to increase at a CAGR of 15.2 per cent during FY2008 – 2028E and is estimated to be worth US\$ 853 billion by 2028
- Increasing share of real estate in the GDP would be supported by increasing industrial activity, improving income level and urbanisation
- Mumbai and Bengaluru have been rated as the top real investment destinations in Asia
- The government also launched 10 key policies for real estate sector in 2016, namely:
  - Real Estate Regulatory Act
  - Benami Transactions Act
  - Boost to affordable housing construction
  - Interest subsidy to home buyers
  - Change in arbitration norms
  - Service tax exemption
  - Dividend Distribution Tax (DDT) exemption
  - Goods and Services Tax
  - Demonetisation
  - PR for foreign investors



(Source: Real Estate Industry in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

### **Market Size**

The Indian real estate market is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP).

In the period FY2008-2020, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

Private equity and debt investments in India's real estate sector grew 12 per cent year-on-year to US\$ 4.18 billion across 79 transactions in 2017. In 2017, M&A US\$ 3.26 billion worth of deals have been made in India's real estate sector. India is expected to witness an upward rise in the number of real estate deals in 2018, on the back of policy changes that have made the market more transparent.

Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. The office space absorption in 2017 across the top eight cities amounted to 18 million square feet (msf) as of September 2017. Private equity inflows in office and IT/ITES real estate have grown 150 per cent between 2014 and 2017 backed by a strong attraction towards office sector. In 2017, new retail space of 6.4 million has finished and supply of around 20 mn sq ft is expected in 2019.

### **Investments/Developments**

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. Private equity investments in real estate are estimated to grow to US\$ 100 billion by 2026 with tier 1 and 2 cities being the prime beneficiaries. ! India stood third in the US Green Building Council's (USGBC) ranking of the top 10 countries for Leadership in Energy and Environmental Design (LEED) certified buildings, with over 752 LEED-certified projects across 20.28 million gross square meters of space. According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.66 billion in the period April 2000-September 2017.

Some of the major investments in this sector are as follows:

- HDFC Capital Advisors Ltd has raised US\$ 550 million for its second affordable housing fund, HDFC Capital Affordable Real Estate Fund-2 (H-CARE-2), which will invest in affordable and mid-income and residential projects across India.
- KKR India Asset Finance Pvt Ltd has invested over US\$ 500 million in residential real estate projects in India in 2017, taking its total investments in real estate projects in India to US\$ 1 billion.
- Allianz Group and Shapoorji Pallonji Group have partnered to start a real estate fund named 'SPREF II' and will invest US\$ 500 million in commercial office properties in India.

(Source: Real Estate Industry in India, February 2018 India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

### **SEGMENTS IN INDIAN REAL ESTATE SECTOR**

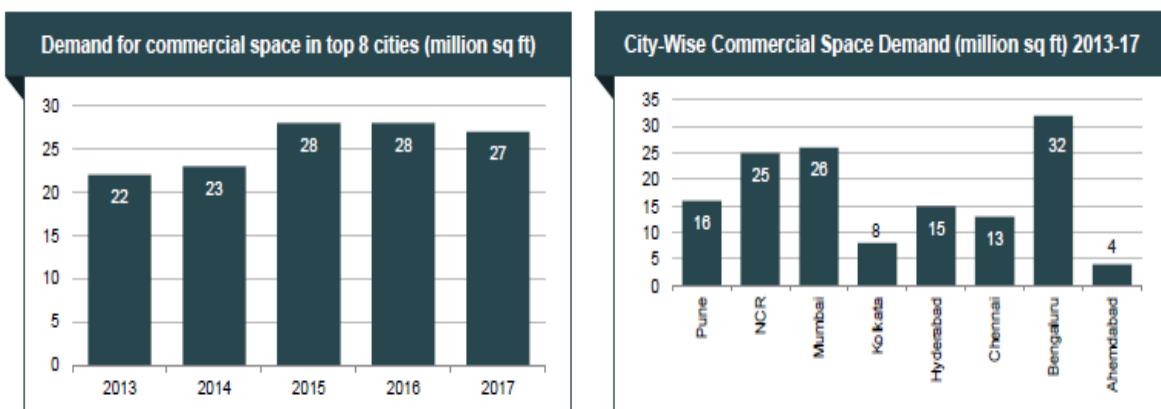
- **Residential Space:** The market size of real estate in India is expected to increase at a CAGR of 15.2 per cent during FY2008 – 2028E and is estimated to be worth US\$ 853 billion by 2028.
- **Commercial Space:** The office space absorption in 2016 across the top eight cities amounted to 34 million square feet (msf) and net absorption reached 18 million square feet (msf) in 2017.
- **Retail Space:** The retail segment in the real estate sector attracted an investment of over \$700 million in 2016. In 2017, new retail space of 6.4 million has finished and supply of around 20 mn sq ft is expected in 2019.
- **Hospitality Space:** The country has 431 approved hotels with 34,187 rooms.

- **SEZs:** As of December 2017, the government had formally approved 423 SEZs, of which 222 are in operation. Majority of the SEZs are in the IT Sector.

(Source: Real Estate Industry in India, February 2018 India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## METRO DEMAND FOR COMMERCIAL SPACE

Scenario	Key Drivers	Notable Trends
<ul style="list-style-type: none"> <li>Few large developers with a pan-India presence dominate the market</li> <li>Operating model has shifted from sales to a lease and maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Rapid growth in services sectors: IT/ITeS, BFSI and Telecom</li> <li>Rising demand from MNCs</li> <li>Demand for office space in Tier 2 cities</li> </ul>	<ul style="list-style-type: none"> <li>Mumbai, NCR and Bengaluru account for 60 per cent of total office space demand in India as of 2017</li> <li>The office space absorption in 2016 across the top eight cities amounted to 34 million square feet (msf) with Bengaluru recording the highest net absorption during the year.</li> <li>Business activity shifting from CBDs to SBDs, Tier 1 to Tier 2 cities</li> </ul>



(Source: Real Estate Industry in India, February 2018 India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## INFRASTRUCTURE INDUSTRY IN INDIA

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2016, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries.

### Market Size

Foreign Direct Investment (FDI) received in Construction Development sector (townships, housing, built up infrastructure and construction development projects) from April 2000 to September 2017 stood at US\$ 24.7 billion, according to the Department of Industrial Policy and Promotion (DIPP). The logistics sector in India is expected to increase at a Compound Annual Growth Rate (CAGR) of 10.5

per cent, from US\$ 160 billion in 2017 to US\$ 215 billion by 2020, backed by the implementation of the Goods and Services Tax (GST), as per the Economic Survey 2017-18.

### **Investments**

India will require investments of over US\$ 4.5 trillion by 2040 for the development of its infrastructure, according to the Economic Survey 2017-18. India is witnessing significant interest from international investors in the infrastructure space. Some key investments in the sector are listed below.

- A total of five Namami Gange projects worth Rs 295.01 crore (US\$ 46.54 million) have been approved by the National Mission for Clean Ganga (NMCG), of which three projects in West Bengal and one in Uttarakhand involve sewage management and one project in Varanasi involves work related to ghat improvement.
- The Ministry of Road Transport and Highways, Government of India, invested Rs 14,916 crore (US\$ 2.32 billion) for the Special Accelerated Road Development Programme for North East (SARDP-NE) and Rs 4,095 crore (US\$ 635.6 million) for the National Highway (Original) over the past two years to improve the road infrastructure in India's north eastern region.

### **Government Initiatives**

The Road Transport & Highways Ministry has invested around Rs 3.17 trillion (US\$ 47.7 billion), while the Shipping Ministry has invested around Rs 80,000 crores (US\$ 12.0 billion) in the past two and a half years for building world class highways and shipping infrastructure in the country. The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport, prior to the general elections in 2019.

The Government of India is taking every possible initiative to boost the infrastructure sector. Some of the steps taken in the recent past are being discussed hereafter.

- The 90 smart cities shortlisted by the Government of India have proposed projects with investments of Rs 191,155 crore (US\$ 30.02 billion) which include Projects Focusing on Revamping an Identified Area (Area Based Projects) with investment of Rs 152,500 crore (US\$ 23.95 billion).
- Contracts awarded under the Smart Cities Mission would show results by June 2018 as the work is already in full swing, according to Mr Hardeep Singh Puri, Minister of State (Independent Charge) for Housing and Urban Affairs, Government of India.
- The Government of India is working to ensure a good living habitat for the poor in the country and has launched new flagship urban missions like the Pradhan Mantri Awas Yojana (Urban), Atal Mission for Rejuvenation and Urban Transformation (AMRUT), and Swachh Bharat Mission (Urban) under the urban habitat model, according to Mr Hardeep Singh Puri, Minister of State (Independent Charge) for Housing.

### **Road Ahead**

India's national highway network is expected to cover 50,000 kilometres by 2019, with around 20,000 km of works scheduled for completion in the next couple of years, according to the Ministry of Road Transport and Highways.

The Government of India is devising a plan to provide wifi facility to 550,000 villages by March 2019 for an estimated cost of Rs 3,700 crore (US\$ 577.88 million), as per the Department of Telecommunications, Government of India.

India and Japan have joined hands for infrastructure development in India's north-eastern states and are also setting up an India-Japan Coordination Forum for Development of North East to undertake strategic infrastructure projects in the northeast.

Sweden is interested in smart cities development in India and has put forward a Common Plan of Action for developing sustainable and environment-friendly public transport solutions and solid waste management for the smart cities under development.

The Ambassador of Japan to India, Mr Kenji Hiramatsu, has conveyed Government of Japan's inclination to invest and offer any other feasible support for various ongoing as well as upcoming development and infrastructure projects in the North-Eastern region of India.

Exchange Rate Used: INR 1 = US\$ 0.015 as of January 4, 2018.

(Source: Infrastructure Industry in India, February 2018 India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## ADVANTAGES INDIA

- **Robust Demand:**

India has a requirement of investment worth Rs 50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country. Sectors like power transmission, roads & highways and renewable energy will drive the investments in the coming years.

- **Attractive Opportunities:**

- Favorable valuation and earnings outlook makes this sector an attractive opportunity.
- Only 24 per cent of the National Highway network in India is four-lane, therefore there is immense scope for improvement.
- The Regional Connectivity Scheme (RCS) gives opportunity for development of airports.

- **Policy Support:**

- With initiatives like 'Housing for All' and 'Smart Cities Mission' the Government of India is working on reducing bottlenecks and impeding growth in the infrastructure sector.
- With the UDAY Scheme, that will help in financial turnaround and revival of electricity distribution companies of India, the power sector has been registering strong growth.
- 100 per cent FDI is permitted under the automatic across various infrastructure sectors.

- **Competitive Advantages:**

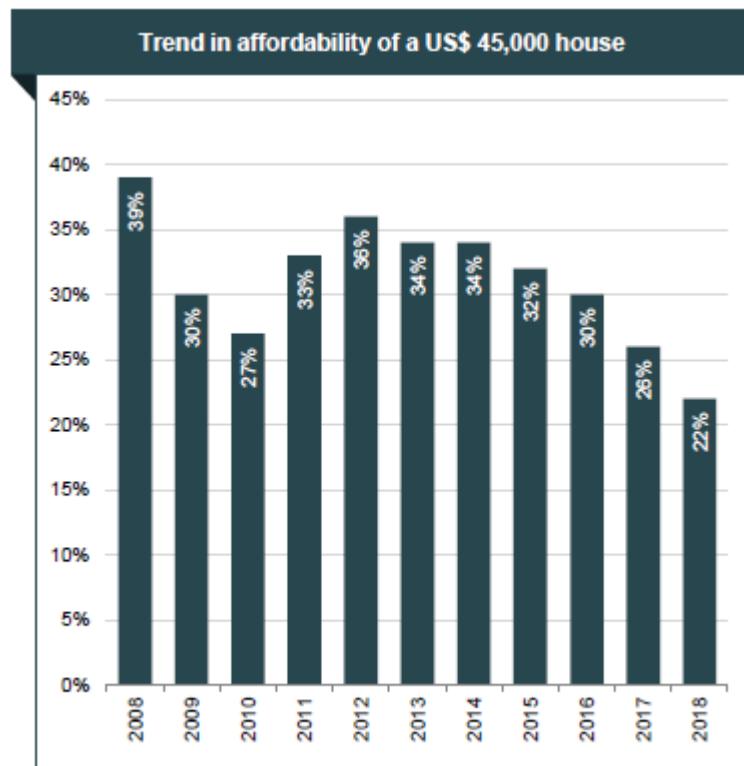
- Increasing impetus to develop infrastructure in the country is attracting the major global players like China Harbour Engineering and Mizuho Financial Group.
- Construction Development sector and Infrastructure activities sector received FDI inflows amounting to US\$ 24.66 billion and US\$ 10.70 billion, respectively from April 2000 to September 2017.

## AFFORDABLE HOUSING

In Budget 2017-18, affordable housing was given infrastructure status.

- As of June 2017, about 69 percent of the country's 1.3 billion people were in prime house-buying age -- 20 to 40 years, more than any other nation.
- Per capita income has grown at a compound annual growth rate of 10 percent for the past five years.

- Prime Minister Narendra Modi broadened reforms in FY17 to foster construction and home buying under his “Housing for All” programme, launched in June 2015. That aims to build 20 million urban homes and 30 million rural houses by 2022. Property has also become the most affordable in two decades.
- Approximately, 60 million new homes are expected to be built in India between 2018 and 2024 with social and affordable housing rising almost 70 percent to 10.5 million by 2024, exceeding the 33 percent increase in the premium market.
- In November 2017, the Government of India increased the carpet area for houses falling under the affordable housing scheme, giving a boost to developers having large inventories.



(Source: Infrastructure Industry in India, February 2018 India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## OPPORTUNITIES IN INFRASTRUCTURE

- **Government Initiatives:**
  - The Government is making an attempt to revive and give boost to Public Private Partnerships.
  - For creating an eco-system to make India a global hub for electronics manufacturing a provision of US\$115.62 million in 2017-18 in incentive schemes like M-SIPS and EDF.
  - Introduction of National Steel Policy in 2017 to aim at higher spending on infrastructure and construction through government initiatives.
  - Total allocation for infrastructure in Budget of 2017-18 stands at US\$ 61.48 billion.
  - In November 2017, logistics sector was given the status of infrastructure, to boost investments in the sector.

- **International Associations:**

- Japanese investment has played significant role in India's growth story. Japan has pledged investments of around US\$35 billion for the period of 2014-19 to boost India's manufacturing and infrastructure sectors.
- The Japanese government is constantly looking for investment opportunities in India.
- Asian Development Bank will provide US\$ 275 million loan for a piped water supply project for rapidly urbanizing small towns, covering 3 lakh households, in Madhya Pradesh.

- **Urban Indian Real Estate:**

- With every sixth urban person globally being an Indian, the real estate and construction sector holds significant opportunity for both global and domestic companies engaged across the value chain.
- India will need to construct 43,000 houses every day until 2022 to achieve the vision of Housing for All by 2022. Hundreds of new cities need to be developed over the next decade.
- This has the potential for catapulting India to 3rd largest construction market globally. The sector is expected to contribute 15 per cent to the Indian economy by 2030
- The recent policy reforms such as the Real Estate Act, GST, REITs, steps to reduce approval delays etc. are only going to strengthen the real estate and construction sector

(Source: Infrastructure Industry in India, February 2018 India Brand Equity Foundation  
[www.ibef.org](http://www.ibef.org))

## OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “*Forward-Looking Statements*” beginning on page 20 of this Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “*Risk Factors*” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year. The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in the sections titled “*Risk Factors*” and “*Financial Information*” beginning on pages 22 and 212, respectively.

### **OVERVIEW**

Our Company was incorporated as “SoftTech Engineers Private Limited” under the provisions of Companies Act 1956 vide Certificate of Incorporation dated June 17, 1996 at Ahmedabad, Gujarat bearing registration no. 04-29960 of 1996-97. The Registered office of our Company was originally situated at 1008, City Center, A.C. Market, Parle Point, Surat. The Registered office of our Company was subsequently shifted to 1<sup>st</sup> Floor, Balaji House, Opposite Telephone Exchange, Bajirao Road, Pune – 411030, Maharashtra pursuant to a special resolution passed by the shareholders of our Company at its Extra-ordinary general meeting held on July 18, 2000 and the order passed by the Company Law Board, Western Region Bench, Mumbai dated October 12, 2001. A certificate of registration of the order of the Company Law Board dated October 12, 2001 confirming transfer of the registered office from State of Gujarat to the State of Maharashtra was issued by the Registrar of Companies, Pune on January 29, 2002. .The Registered office of our Company was once again shifted to 259, Butte Patil Complex, Dashbhuja Ganpati, Karve Road, Pune – 411030 pursuant to Board resolution dated May 5, 2003. The Registered office of our Company was once again shifted to 'The Pentagon', Unit No. 5A, Near Satara Road Telephone Exchange, Shahu College Road, Parvati, Pune 411009 pursuant to Board resolution dated September 1, 2005. The name of our Company was subsequently changed to “SoftTech Engineers Limited” pursuant to special resolution passed by the shareholders of our Company at the Extra-ordinary general Meeting held on February 22, 2018 and a fresh certificate of incorporation consequent upon conversion from Private Company to Public Company was issued by the RoC, Pune on March 1, 2018. The corporate identity number of the Company is U30107PN1996PLC016718.

Our Company started in the year 1996 as a software product innovation company which caters to the Architecture, Engineering and Construction (“AEC”) verticals. ‘Innovation’ is the key to any business and our products are innovative across the entire value chain in the construction industry. Our Company is partnering the government in its mission - “Ease of Doing Business” by associating ourselves as a “Smart City Solution Provider” meeting the requirements of the automation in Architecture, Engineering & Construction (AEC) verticals using our expertise in IT. Our Company has been specialising in developing product for e-governance and construction ERP products for smart city projects, municipal corporations, urban local bodies, development authorities and work organizations. Our Company also offers 2D and 3D CAD based intelligent and machine learning driven technology which eliminates entire human intervention along with providing Cloud Technology enabled products offered as “SaaS”.

Our Company started by launching its first product – STRUDS in the year 1996, which was used for Structural Analysis and Designing. In the year 2000, we launched another product, ESRGSR, which

was also used on the same line. With growing acceptance of our products, we received a Venture Capital funding from SIDBI Venture Capital in year 2003. Between the year 1997 – 2011, various updated versions of our product STRUDS were released. Both our products viz., STRUDS and ESR GSR were acquired in year 2011 by CSC (UK) Limited.

Meanwhile, our Company had already launched two new products viz., PWIMS and AutoDCR which have been the flagship products of our Company since its launch in the year 2004 and 2005 respectively. **PWIMS** provides a complete online solution to Public Works Department (PWD) for e-procurement and work management. **AutoDCR** is a software for automation of building permits approvals which is used by the government authorities in scrutinizing and automating the building permits based on the CAD based building plan which works on an online system and environment. Riding on the success of these products, our Company in year 2010 launched, **OPTICON** which caters to the needs of construction contractors and real estate companies by helping them in cost estimating, construction management and overall automation. Our success has again been entrusted by another VC funding round from Rajasthan Venture Capital Fund in the year 2014 which acquired 26.77% stake in our Company. Our Company is certified and ascertained as an ISO 9001:2008 and ISO 9001:2015 for development and marketing of software products and IT solutions.

Our Company has strategic business alliances with key organizations such as – Microsoft and Autodesk. All these partnerships helps our Company to provide integrated and seamless solutions to our customers and boost the solutions through technological advancements.

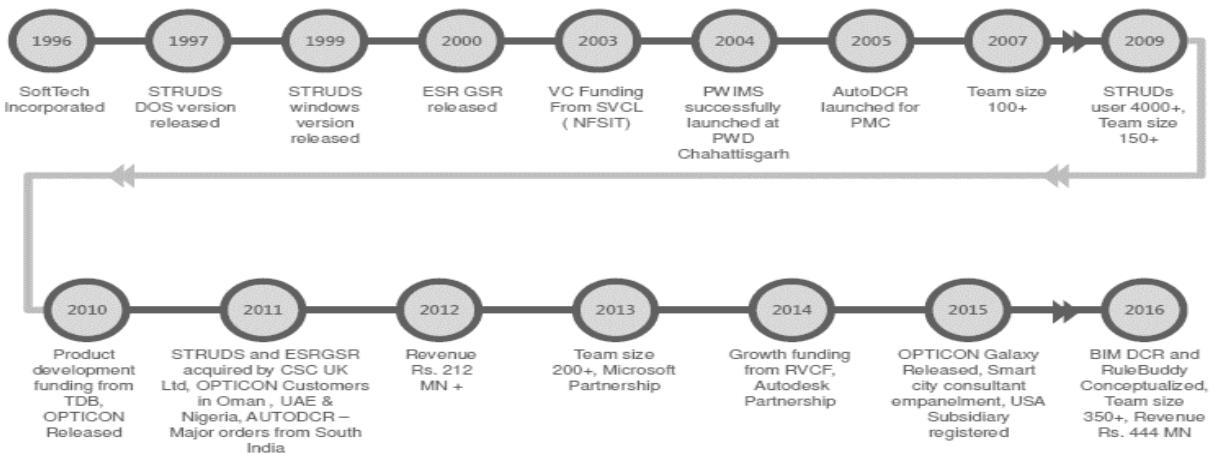
Our Company was founded by Mr. Vijay Gupta who is an IIT Mumbai Alumni and has an experience of more than 3 decade in the industry. He is also the promoter of the Company and is being supported by an experienced and educated management team. Mr. Vijay Gupta along with his adequately experienced team is actively and fully involved in day-to-day affairs of our Company's operations. The experience of our Company's management is reflected in Company's operational performance where earlier products having been acquired by foreign company, receiving venture capital funding and current products being widely accepted.

Our Company has a human capital asset of 433 and with their consistent and sustained effort ensure positive business outcomes for our clients through constant innovation in our products. Our team has the experience and perspective to understand executive-level business requirements and transform them into ROI-driven solutions. We earn our revenue based on License fees, BOT model, servicing and support fees, one time set-up fees, Annual Maintenance Contract and continuous development fees.

**Our Company's location is as below:**

**Registered Office:** The Pentagon, Unit-5A, 5<sup>th</sup> Floor, Next to Satara Road, Telephone Exchange, Shahu College Road, Pune – 411 009, Maharashtra, India.

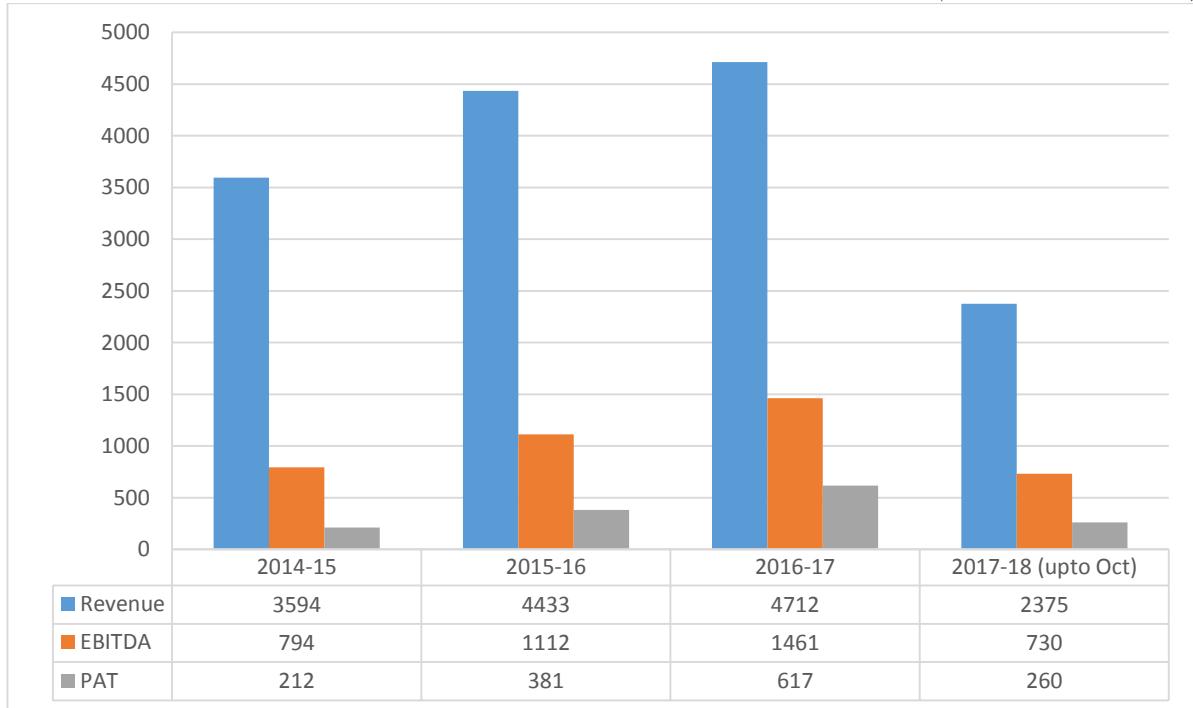
**TIMELINE OF THE COMPANY**



## FINANCIAL SNAPSHOT

Details of Revenue, EBITDA and PAT from year 2014-15 to Current Period ending Oct'17 is as under:

(Amount in Rs. Lakhs)



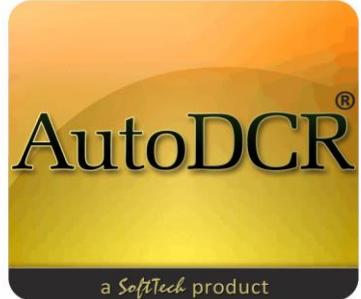
Product wise revenue for our company is as under:

(Amount in Rs. Lakhs)

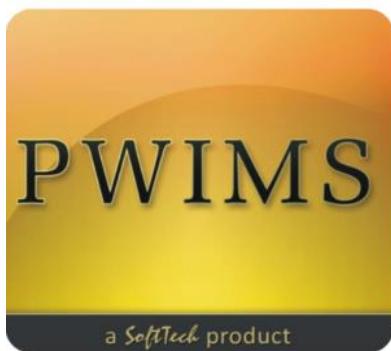
Products	Apr'17 – Oct'17	FY 2016-17	FY 2015-16	FY 2014-15
AutoDCR	1,205.81	2,777.73	2,032.91	1,245.67
PWIMS	458.23	937.63	635.61	583.74
Opticon	402.62	62.57	184.62	424.26
Others	281.51	893.89	1,545.83	1,271.78
<b>Revenue from Operations</b>	<b>2,348.17</b>	<b>4,671.82</b>	<b>4,398.97</b>	<b>3,525.45</b>

## OUR PRODUCTS / SERVICES

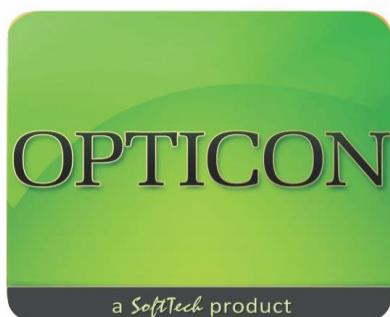
Product	Description
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**AutoDCR** is an innovative solution boosting Smart City projects by automating building and layout plan approval which reads 2D CAD drawings and maps them to Development Control Regulation (DCR) of Urban Local Bodies (ULB) and other approving authorities who are integrated with online approval workflow to monitor the approval process with associated document scrutiny. AutoDCR is majorly used by Municipal Corporations, Industrial Development Corporations and Development Authorities. This reduces human intervention and at the same time reduces time required for approval drastically which further helps the authorities on “Ease of Doing Business” rankings. Further, there is increased transparency and uniformity in the work flow.



**PWIMS** is an integrated works and procurement management software which is used for managing the core functional process of works planning, procurement and maintenance in public work organizations. The services in this software includes Budget and Estimate management, Tenders & Project management, Asset & Inventory management, Finance & Accounts management and HR management. Further, it generates real-time MIS reports for the organizations. Main users of this product is State PWD, Urban Development authorities, Municipal corporations, Housing development boards, Infrastructure Development Corporations among others.



**OPTICON** is an Enterprise Resource Planning (ERP) software which combines enterprise technologies with nearly 20 years of construction industry domain experience into an integrated system. The product aims at optimizing construction process. The services in the product includes detailed tender bid management, cost estimation for the project, managing timeline and schedules, generating MIS reports on real-time basis, managing inventory and purchase records, client billing among others. With growing infrastructural and construction activities, it aims at reducing the workload of construction companies and reducing their project completion time saving their overall cost.

#### OUR PRODUCTS / SERVICES UNDER DEVELOPMENT

Product	Description
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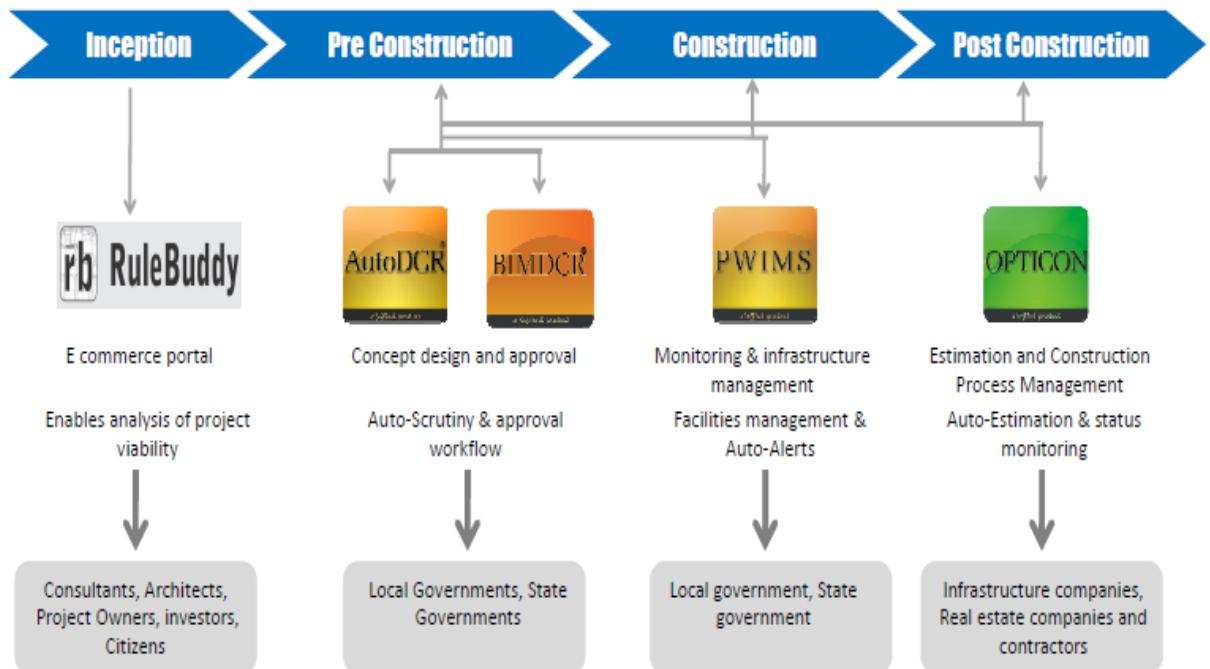


**BIM-DCR** is an upcoming product which is a new and updated version of AutoDCR with a new 3D BIM based technology. The product is currently under R&D phase. BIMDCR will serve the same set of customers but with advanced technology which will serve the purpose of Smart City projects. It is an innovative 3D Building Model based Online Single window system. It is BIM integrated Building Approval System which enables automatic scrutiny of building proposal by reading Building Models submitted by Applicant. This will help to better coordination between different departments providing approvals and ensure comments by different stake holders on single model thereby detect clashes at earlier stage. BIM model approach will help development authorities track unauthorised construction.



**RuleBuddy** is another upcoming product by our Company which is currently in R&D phase. It is an e-commerce platform which aims to help customers solve their queries prior to commissioning of any construction activities for particular area. By leveraging the database of AutoDCR and technical expertise in the construction industry, it will analyse and assess the feasibility of any construction activity, further validating DC rules, NOC fees and other documentary requirements. The key users for this product will be Project owners, project developers, construction companies, architects, engineers among others.

**Integrated Building Permits System (IBPS)** is another upcoming product by our Company which is also in R&D phase. IBPS provides innovative, intelligent and collaborative platform to accelerate the approval of building projects. It automates and simplifies the building plan/model scrutiny processes, document management, approval workflow and verification of the parameters defined in the city map. It uses technology like Internet of Things (IoT), Virtual Reality/Augmented Reality, Machine Learning and AI tools. It consists of various modules for proposal creation, collaborative verification, virtual site visits and audit, workflow and online collaboration, progress monitoring and tracking, analytical reports, etc. It is useful for private consultants, corporations, government organizations among others. With these products, our Company will be catering to full value chain of any construction activity through automation resulting in effective governance, reduced approvals time, lower cost of investment, anywhere access to construction related information, digitalization of the entire process and thereby facilitation the authorities to increase their ranking in “Ease of Doing Business”.



## **AWARDS AND ACHIEVEMENTS**

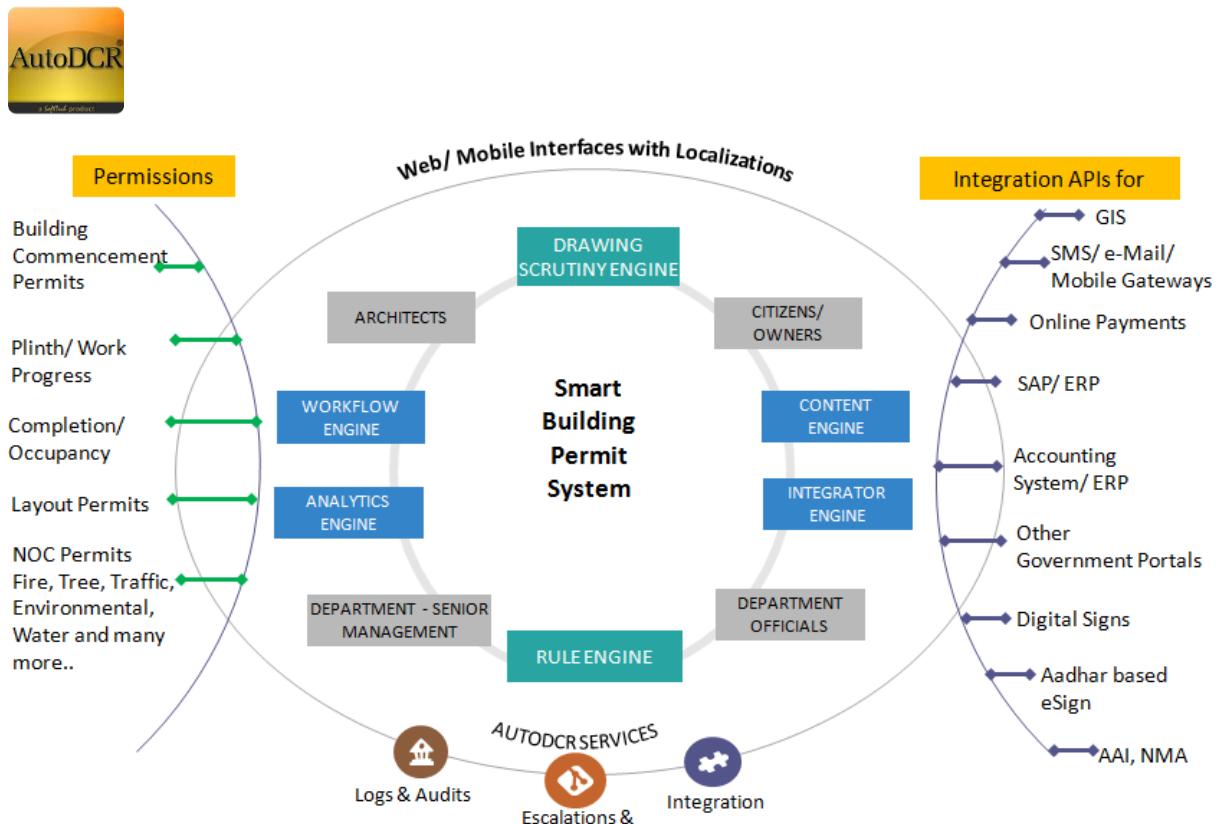
Our Company has received various awards from both governmental authorities and private enterprises:





## OUR PRODUCT PROCESS

Innovation, seamlessness and the ability of our products to facilitate and ease the process for approving the construction plan forms the base for product process. A brief process demonstrating the usage of our product is given below.





### Budget, Estimate Management

Schedule of Rates

Pre Tendering

### Asset, Inventory Management

Asset Inventory

### Finance, Accounts Management

Statutory Register Maintenance

### HR, Establishment Management

Personnel info service book

Rate Analysis

Tendering

Work Scheduling

Grants Management

Office asset information

Detailed cost Estimation

Project Management

Maintenance Scheduling

Cash and bank Book

Court case monitoring

Budgeting

Expenditure monitoring

Response to Queries

### MIS Reports



### Alerts & Notification

Important and urgent messages to be delivered immediately  
Notification through SMS/ email/ web

### OPTICON mobile App

Anywhere/ anytime accessibility

### Analytics & Dashboards

Summarized information at finger tips  
Drill down data reports to leaf level

### Integration with BIM

Visual representation of the project vs. work progress

### Configurable Workflow

Integrate business conditions with processes easily

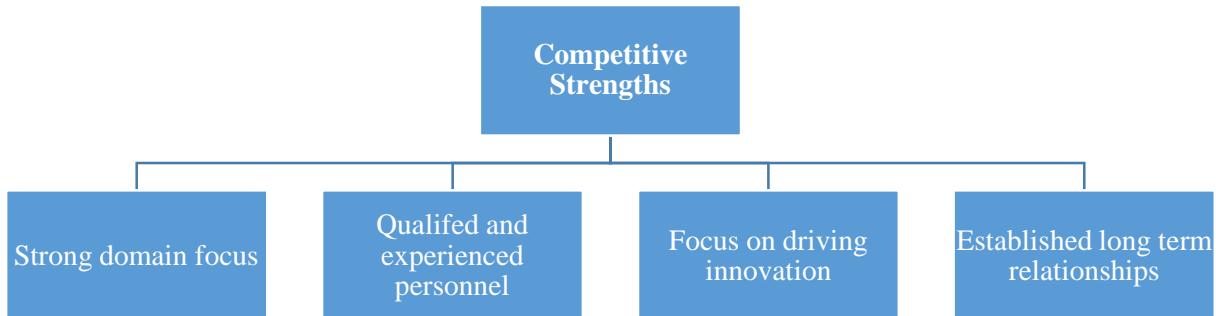
### Seamless Integration

Bidirectional integration with industry standard project management practices

### Search Templates

Define search criteria link search templates to roles

## OUR COMPETITIVE STRENGTHS



### 1. Strong domain focus

Our more than 3 decade of experience and understanding of business in which we operate, helps us in providing IT solutions and software products that benefit our clients and differentiates us from our competitors. It gives us an added advantage over our competitors whereby we are able to capitalise on strategic opportunities at a faster pace due to the readily available domain and institutional knowledge at our disposal.

### 2. Qualified and experienced personnel

We believe that our promoter Mr. Vijay Gupta who is into the business for more than 3 decades is having rich experience and has fostered an important culture of innovation, client relationship and teamwork. We have an experienced management team supporting our promoter in the day-to-day affairs of our Company. It is through the constant vision and experience of our management team including the promoter, we have been able to build a sustainable business model and created a wide market reach. We have employed people in different areas of work who have required technical competence and qualifications which are in line with the business of our Company. We strongly believe that the success of our organization lies in the efforts of our human resources and the result of which can be seen in growing human resource count in our organization.

### 3. Focus on innovative solution

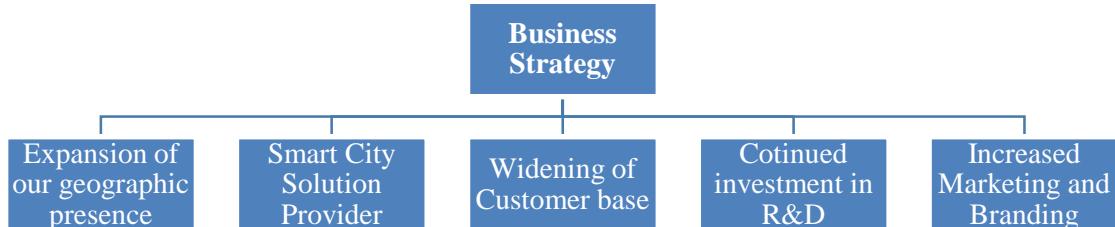
The success factor of our organization has been developing innovative products since its inception. Our products have led various government authorities and its department in completely digitalizing their activities. Being an early mover in the industry and established track record of working with government on various projects, we are more motivated in driving innovation and continuously develop our product portfolio. We have a focussed team of individuals with required technical background and domain experience in each of our verticals with a focus on evolving technologies. These teams follow a structured applied innovation and solutions development process and work with delivery functions to identify the key concerns of our customers and generate solutions, ideas and concepts to address the concerns.

### 4. Established long term relationship with the clients

Client relationships forms the core in our business. Our track record of delivering the required solutions using our demonstrable industry and technology expertise, and our responsiveness to our clients' feedback, has helped us further strengthen our relationships with our clients, majorly governmental authorities. In order to improve our service delivery and facilitate expanding business area, we regularly meet the authorities and explain the new features as and when we develop, which is important for us to ensure a high level of client satisfaction through continuous feedback.

## BUSINESS STRATEGY

We endeavour to expand our share in the market through our growth strategies as set forth below:



### 1. Expansion of our geographic presence

We are currently operating primarily in domestic market with very little presence outside India. The acceptance of our products in Indian market have given us the confidence to further expand our business into other geographical markets and replicate our performance. We intend to expand our operations to Middle East, Africa, South East Asia including Australia, United States and European countries by FY 2019-20. This will ensure us broader reach of our products and enable us additional revenues reducing the dependency on any particular area. We will use our decades of knowledge and expertise to develop our business in international market.

### 2. Smart City Solution Provider

Our company develops products which serve digitised building construction permits and infrastructure works project management and monitoring systems which are core requirements of any technology adoptions in Smart City projects. Through our innovative products, we ensure approval and execution of building is as per regulations ensuring that city grows complying with excellent living conditions. With list of smart cities already announced and the amount which is to be invested in these projects by government being huge, coupled with our track record of working with government, we stand to benefit by providing our products in smart city projects.

### 3. Widening of customer base

Our Company at present generates approx. 60% of its total revenue from AutoDCR product which caters to governmental authorities such as municipal corporation, industrial development corporations, Urban Local Bodies amongst others. This leads us to dependency on government and its policies to a large extent, to address this issue we will be expanding the market of PWIMS and OPTICON which serves private players also. By increasing the share of PWIMS and OPTICON in total revenue, we will be able to expand our customer base and aim to reach untapped market. Our performance in AutoDCR will aid and assist our Company in marketing PWIMS and OPTICON amongst the customers including and not limited only to the private players.

### 4. Continued investment in R&D

We believe our pillar of success has been our continued and sustained focus on the Research & Development activities. Our constant focus is to develop new products and innovate them with the evolving technologies with new and advanced applications to enhance the customer experience and usability. Our team recognises the importance and the parameters and continuous efforts for having a sustained growth in the IT industry, we need to be ahead of the competition in terms of developing our technologies, bring in innovation and evolve ourselves on a real-time manner. We plan to follow our basics and increase our R&D activity, thereby providing innovating solutions to our clients which are world class and customised as per their needs. We have taken steps to build Rulebuddy, BIMDCR and IBPS leveraging latest technologies. Further, we are building a cloud based e-

commerce platform to pre-check projects approval requirements.

## 5. Increased marketing and branding

With the developed products which are already serving numbers of clients across the country, we now intend to leverage our product success by spending on marketing and branding of the products to expand our reach internationally. By increased marketing and branding activity, we would be able to increase our revenue without incurring much cost as the products are already developed. We intend to do this by developing Business Development team, using our partnerships/alliances, relationship maintained with various stakeholders, participating in events and seminars organised by various private and government authorities. As part of this strategy, we will need to provide clients with greater pricing flexibility and optionality; further develop our client-specific, industry-specific, technological and other solutions required for larger engagements.

## SWOT Analysis

### Strengths:

1. **Established relationships** – Since our products are providing solutions for E-Governance, they have been widely accepted and used by government authorities across India. Being an early-mover in the Industry with large customer base, customer reference and an established government clients we stand to benefit as a preferred partner for solutions.
2. **Strategic Associations** – We have partnered with few of the major software platform providers like, Microsoft and Autodesk. This has enabled us to provide quality innovation solution to our clients with a customised focus.
3. **Complete automation solution** – Our products meet the complete requirement of government for automation of their services related to construction permits and infrastructure works. The Company offers a wide range of services ranging from pre-construction to construction to post construction execution phases. Further, since the ranking of “Ease of Doing Business” in construction permits is largely dependent on the single window system for plan approval process, our products are preferred by government authorities to take the benefit of the same and reduce their approval time.

### Weakness:

1. **Largely dependent on government initiatives** – Products of our Company are being used by government authorities owing to their increased focus on digitalization of work. Our business is largely dependent on such initiatives and policies of the government, which makes us vulnerable to any sudden change in policies which may hamper our growth potential.
2. **Presence only in India** – Though we have acquired a few International customers, our company has yet to enter International market in a full fledged manner. Being in niche technology arena our growth rate could be slower in the absence of strong foot print in International market.

### Opportunities:

1. **Focus on Digital technology** – There has been continued focus by government and countries across the globe on Digitalisation of the economy. With increased spend on digitalisation, demand of IT solutions and software would be increasing. Further, our Company has also increased its focus on digital arena and this could be a driving force for the Company to grow in future.
2. **Growth in Infrastructure activity** – As our focus has been mostly in India and providing services which caters to construction activities like smart cities and affordable housing schemes that are expected to grow at a good pace, we foresee increased construction activity in India. “Smart City” plans by the government will further enhance the demand of our products by both government as well as private enterprises.

### **Threats:**

1. **Increasing competition** - IT industry is a highly competitive industry with many small and large players across the region where we have presence. This competition pressures forces us to reduce our contract value in order to win tenders to gain clients and have a competitive advantage over our peers.
2. **Rising wages in India** – Lower wage cost is highly important for companies based out of countries like US which invests heavily in R&D. We have been carrying out such activities mainly from India due to relatively lower wage cost. However, there have been increase in wages in past few years which is taking away the cost advantage which we enjoy.

### **RAW MATERIALS**

Since, we are into the business of providing software service and software development, we do not use any raw material for our business.

### **UTILITIES & INFRASTRUCTURE FACILITIES**

#### **Infrastructure Facilities**

Our registered office is well equipped with computer systems, internet connectivity, other communications equipment, security and other facilities, which are required for our business operations to function smoothly and on uninterrupted basis. It is equipped with requisite utilities and facilities.

### **CAPACITY UTILIZATION**

Our business is into providing software solutions and services, so capacity utilisation data does not apply to our Company.

### **PLANT AND MACHINERY**

As the Company is in business of providing IT solutions to its clients, it doesn't have or need any major plant and machinery.

### **COLLABORATIONS**

As on the date of this Red Herring Prospectus, our Company has not entered into technical collaborations with any organizations. However, our Company has certain strategic alliances for sales network with the following partners:

#### **Autodesk Partnership**

- Our Company is a Development Partner (member of Autodesk Developer Network- ADN) as well as VAR (Value Added Reseller) in AEC (Architecture, Engineering, Construction) category.
- Since, most clients where AutoDCR is implemented uses AutoCAD as their CAD platform, implementation of AutoDCR boosts the sales of AutoCAD, hence our Company also acts as a reseller for AutoDesk products.
- Being ADN member, Autodesk shares their technology as well as helps us in software development on CAD technologies, through their technology portal and interaction with their technical teams.
- SoftTech's new product BIMDCR is based on BIM technology. Autodesk being the pioneer in BIM technology has been sharing SoftTech their knowhow for running BIMDCR on the BIM platform provided by Autodesk.
- SoftTech's flagship product AutoDCR runs on CAD platform.
- Being an Autodesk VAR, SoftTech gets an opportunity to increase revenue, provide a turnkey solution & develop close relationships with customers in AEC industry through Autodesk's products sales.
- We generate revenue from Autodesk as a Channel Partner, details of which is given herein below:

<b>Year</b>	<b>Revenue in Lakhs</b>
FY 2016-17	643.66

- Our Agreement is renewed on annual basis.

### **Microsoft Partnership**

- SoftTech is Gold Partner for Development for Microsoft Technologies. SoftTech's software products are based on Microsoft technologies such as, Net software framework and SQL server database.
- While proposing complete software solution to clients, Microsoft team helps SoftTech in designing the total solution for end customer.
- Working with Microsoft helps SoftTech in business development activities by creating opportunities for clients where Synergies are there for both products.
- Exposure to various opportunities for showcasing SoftTech products at Microsoft promoted events, is an added advantage.
- We are technology partner where we develop our products using their technology and hence have synergy of creating complementary technologies.
- Our Agreement is renewed on annual basis.

### **EXPORT AND EXPORT OBLIGATION**

The Company confirms that they do not have any export related obligations as on the date of filing Red Herring Prospectus.

### **HUMAN RESOURCES**

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As on September 30, 2017, we have 433 manpower at our registered office and other client places, the department wise bifurcation of the same is as under:

<b>Department</b>	<b>No of Employees</b>
Finance & Accounts	5
Human Resource	3
Sales & Marketing	19
Purchase & Administration	6
Management	3
Quality Assurance	16
Development & Implementation	381
<b>Total</b>	<b>433</b>

These employees look after our business operations, administrative, secretarial, legal, marketing and accounting functions in accordance with their respective designated goals. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

### **MARKETING**

The efficiency of the marketing and network is critical to success of our Company. Our success lies in the strength of our relationship with the clients who have been associated with our Company. Our team through their vast experience and good rapport with these clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. Our

Marketing team is handled by management who has rich industry experience. To get repeat orders from our customers, our team having adequate experience and competencies, regularly interact with them and focus on gaining an insight into the additional needs of customers. We intend to expand our existing customer base by reaching out to other geographical areas by increasing our market reach in phases to Middle East, Africa, South East Asia, Australia and America

### **END USERS**

We cater to Domestic clients mostly to governmental authorities, such as, Municipal Corporation, Industrial Development Corporations, Urban Local Bodies. Further, our PWIMS product caters to the requirements of Public Works Department. OPTICON is used by construction and infrastructure companies, contractors and real estate developers.

### **COMPETITION**

IT solutions and software service being a service industry, we face competition from various small domestic and international players. The Industry which we cater to is highly competitive and fragmented with many small and medium-sized companies.

Most of our competitors in the regional level are small players who provide automation solution in tranches.

We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way.

### **INSURANCE**

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. Further, our contractual obligations to our lenders also require us to obtain specific insurance policies.

Details of our Insurance Policies are as under:

<b>Policy No.</b>	<b>Name of the Insurer</b>	<b>Description of the Policy</b>	<b>Assets insured/ Risk Covered</b>	<b>Address of the Properties where the insured assets are situated</b>	<b>Sum Insured (Rs. in Lakhs)</b>	<b>Date of Expiry</b>	<b>Premium p.a (in Rs.)</b>
15310046 17010000 0099	New India Assurance Co. Ltd.	Burglary	Furniture & Fixtures, Office Equipment	The Pentagon, 5-A, 5 <sup>th</sup> Floor, Shahu College Road, Pune – 411 009	266.09	28 Sep, 2018	Rs. 6,401
15310011 17010000 0579	New India Assurance Co. Ltd.	Standard Fire & Perils Policy	Furniture & Fixtures	The Pentagon, 5-A, 5 <sup>th</sup> Floor, Shahu College Road, Pune – 411 009	361.65	26 Sep, 2018	Rs. 10,669

We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained.

### **LAND AND PROPERTY**

### **Owned Properties:**

We do not have our owned properties.

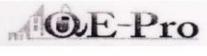
### **Rented Properties:**

The following major properties are taken on rent by our Company:

Sr. No.	Name of the Licensor	Location of the property	Period of Agreement	Consideration in Lakhs	Usage
1.	Ms. Shilpa Tripathi	Unit – 5A, 5 <sup>th</sup> Floor, The Pentagon, Near Pune Satara Road, Telephone Exchange, Shahu College Road, Parvati, Pune – 411 009	July 1, 2017 to June 30, 2020	Rs. 0.63 per month	Registered Office
2.	Mr. B. K. Patel	Unit – 5B, 5 <sup>th</sup> Floor, The Pentagon, Near Pune Satara Road, Telephone Exchange, Shahu College Road, Parvati, Pune – 411 009	July 1, 2017 to June 30, 2020	Rs. 0.75 per month	
3.	Mrs. Priti Gupta	Unit – 5C, 5 <sup>th</sup> Floor, The Pentagon, Near Pune Satara Road, Telephone Exchange, Shahu College Road, Parvati, Pune – 411 009	July 1, 2017 to June 30, 2020	Rs. 0.57 per month	Administrative Office
4.	Mr. Devendra Kumar Tripathi	Unit – 5D, 5 <sup>th</sup> Floor, The Pentagon, Near Pune Satara Road, Telephone Exchange, Shahu College Road, Parvati, Pune – 411 009	July 1, 2017 to June 30, 2020	Rs. 0.57 per month	

### **INTELLECTUAL PROPERTY RIGHTS**

#### **Approvals in relation to Trademarks:**

Logo	Date of registration	Date of application	Trade Mark Number	Class	Current status	Valid upto
	April 12, 2011	April 15, 2010	1950371	42	Registered	April 15, 2020
	October 21, 2005	March 18, 2004	1273493	9	Registered	March 18, 2024

#### **Approvals in relation to Copyrights:**

Title of the work	Registration number	Class and description of work	Whether work is published or unpublished	Date of application	Valid upto
Opticon	SW-2179/2005	Software	Published	March 24, 2004	March 23, 2064
PWIMS	SW-7625/2014	Computer	Unpublished	February 5,	February 4,

		Software work		2013	2073
QE PRO	SW-2026/2005	Software	Published	March 24, 2004	March 23, 2064

***Licenses in relation to Trademark and Copyright***

Logo>Title	Date of application/registration	Trade Mark/ Copyright registration number Number	Class	Current status	Valid upto
 AutoDCR	September 1, 2005	1381556	9	Assigned to SIDBI*	September 1, 2025
Auto DCR	November 10, 2009	SW-4508/2010	Software	Assigned to SIDBI*	November 9, 2069

**\*Note:** Our Promoter has given a written undertaking dated March 28, 2018 to our Company to transfer the above copyright and trademark by executing a fresh deed of assignment in favour of our Company as and when the loan has been repaid in full by our Company and the above mentioned copyright and trademark are assigned back to our Promoter.

## **KEY REGULATIONS AND POLICIES IN INDIA**

*The following is an overview of the relevant regulations and policies as prescribed by the Government of India or other regulatory bodies which are applicable to our business and operations in India. The information detailed below has been obtained from publications available in the public domain. The regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to 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.*

### **I. Industry Related Laws**

#### ***The Micro, Small and Medium Enterprise Act, 2006***

The Micro, Small and Medium Enterprise Act ("MSMED Act"), seeks to provide for the promotion and development along with facilitating and enhancing competition among micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including a company, a partnership, firm or any other undertaking engaged in the manufacture or production as specified in the first schedule to the Industries (Development and Regulation) Act, 1951, as follows:

- (i) A micro enterprise, where the investment in plant and machinery does not exceed Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only);
- (ii) A small enterprise, where the investment in plant and machinery is more than Rs. 25,00,000/- (Rupees Twenty Five Lakh Only) but does not exceed Rs. 5,00,00,000/- (Rupees Five Crores Only); or
- (iii) A medium enterprise, where the investment in plant and machinery is more than Rs. 5,00,00,000/- (Rupees Five Crores Only) but does not exceed Rs. 10,00,00,000/- (Rupees Ten Crores Only).

The MSMED Act also stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

The Government has proposed an amendment to the Act whereby, it proposes to define units producing goods and rendering services in terms of the annual turnover as follows:

- A micro enterprise will be defined as a unit where the annual turnover does not exceed five crore rupees;
- A small enterprise will be defined as a unit where the annual turnover is more than five crore rupees but does not exceed Rs 75 crore;
- A medium enterprise will be defined as a unit where the annual turnover is more than seventy five crore rupees but does not exceed Rs 250 crore.

Additionally, the Central Government may, by notification, vary turnover limits, which shall not exceed thrice the limits specified in Section 7 of the MSMED Act. This proposal has been approved by the Cabinet and is pending the approval of the Lok Sabha.

#### ***The Information Technology Act, 2000***

The Information Technology Act, 2000 ("IT Act") was enacted with the purpose of providing legal recognition to electronic transactions. In addition to providing for the recognition of electronic records, creating a mechanism for the authentication of electronic documentation through digital signatures, the IT Act also provides for civil and criminal liability including fines and imprisonment for various computer related offenses. These include offenses relating to unauthorized access to computer systems, modifying the contents of such computer systems without authorization, damaging computer systems,

the unauthorized disclosure of confidential information and computer fraud.

The Information Technology (Amendment) Act, 2008, which came into force on October 27, 2009, amended the IT Act and inter alia gives recognition to contracts concluded through electronic means, creates liability for failure to protect sensitive personal data and gives protection to intermediaries in respect of third party information liability. In April 2011, the Department of Information Technology under the Ministry of Communications & Information Technology, GoI notified the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011 in respect of section 43A of the IT Act (the "Personal Data Protection Rules") and the Information Technology (Intermediaries guidelines) Rules, 2011 in respect of section 79(2) of the IT Act (the "Intermediaries Rules"). The Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it. Further, the Department of Personnel and Training under the Ministry of Personnel, Public Grievances and Pensions, GoI has proposed to introduce a new legal framework that would balance national interest with concerns of privacy, data protection and security. Our Company is required to comply with the IT Act and the provisions thereof.

#### ***Foreign Direct Investment***

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The department of Industrial Policy and Promotion ("DIPP"), has issued consolidated FDI Policy of 2017, which supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Reserve Bank of India ("RBI") also issued Master Circulars on Foreign investment in India every year. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India. Such Indian companies making fresh issues of shares would be subject to the reporting requirement, inter-alia with respect to consideration for issue of shares and also subject to making certain financial including filing of Form FC-GPR.

#### ***Foreign Exchange Management Act, 1999***

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment

for such services.

#### ***Overseas Direct Investment***

In terms of the Master Direction No. 15/2015-16 on "Direct Investment by Residents in Joint Venture/Wholly

Owned Subsidiary Abroad" issued by the RBI, dated January 1, 2016, an Indian entity is allowed to make ODI under the automatic route up to limits prescribed by the RBI. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require prior approval of the RBI.

#### ***Foreign Trade (Development & Regulation) Act, 1992***

In India, exports and imports are regulated by the Foreign Trade (Development and Regulation) Act, 1992 ("FTDRA") which seeks to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. Pursuant to the provisions of the FTDRA, every importer and exporter in India must obtain an importer exporter code from the Director General of Foreign Trade ("DGFT ") or from any other officer duly authorised under the FTDRA. Failure to obtain the IEC number may lead to penal action under the FTDRA.

## **II. Labour Regulations**

#### ***Employees' Provident Funds and Miscellaneous Provisions Act, 1952***

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") is applicable to the establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund.

#### ***Employees' State Insurance Act, 1948***

All the establishments to which the Employees' State Insurance Act, 1948 ("ESI Act") applies are required to be registered under the ESI Act with the Employees State Insurance Corporation. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

#### ***Payment of Wages Act, 1936***

Payment of Wages Act, 1936 contains provisions as to the minimum wages that are to be fixed by the appropriate Governments for the employees, fixation and revision for the minimum wages of the employees, entitlement of bonus to the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

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

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment

covered under this Act to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

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

The Payment of Gratuity Act, 1972 deals with payment of gratuity to employees engaged in factories, mines and allied companies. It applies to every factory, mines, oilfield, plantation, port and railway company or every shop or establishment in which ten or more people are employed on any day in preceding twelve months. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

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

The Minimum Wages Act, 1948 ("MWA") came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

#### ***Maternity Benefit Act, 1951***

The Maternity Benefit Act, 1951 ("MB Act") provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The MB Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the State Government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

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

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

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

In order to curb the rise in sexual harassment of female at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace.

Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### ***III. Tax Legislations***

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

The Income Tax Act, 1961 ("IT Act") deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of the IT Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the IT Act. The maintenance of books of Accounts and relevant supporting documents and registers are mandatory under the IT Act. Filing of returns of Income is compulsory for all assesses.

#### ***The Central Goods and Services Tax Act, 2017***

The Central Goods and Services Tax Act, 2017 ("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 binds 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 different categories of tax slabs. 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. GST is levied on all stages of the supply chain till the final sale to consumers. There are four tax rates currently i.e. 5%, 12%, 18% and 28% at which goods and services are taxed. The rates of GST applied are subject to variations based on the goods or services.

#### ***Professional Tax***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The Maharashtra State Government has enacted the Maharashtra State Tax on Profession, Trades, Callings and Employment Act, 1975. Under this Act, the professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

## **IV. Intellectual Property Legislations**

### ***The Patents Act, 1970***

The Patents Act, 1970 ("**Patents Act**") is the primary legislation governing patent protection in India. In addition to broadly requiring that an invention satisfy the requirements of novelty, utility and non obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of application for the patent. The Patents Act deems that computer programmes per se are not 'inventions' and are therefore not entitled to patent protection.

### ***Trademarks Act, 1999***

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, ("**Trademarks Act**") governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure.

### ***The Copyright Act, 1957***

The Copyright Act 1957 ("**Copyright Act**") governs copyright protection in India. Under the Copyright Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization. While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring the ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years. The remedies available in the event of infringement of copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies including imprisonment of the accused and the imposition of fines and seizures of infringing copies.

## **V. Other Laws**

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

The Indian Contract Act, 1872 ("**Contract Act**") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### ***The Specific Relief Act, 1963***

The Specific Relief Act, 1963 ("**SR Act**") is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The SR Act applies in cases where the Court can order specific performance of a contract. Specific relief

can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

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

The Companies Act, 2013 ("CA 2013") has been introduced to replace the erstwhile Companies Act, 1956 in a phased manner. The Act primarily regulates the formation, financing, functioning and winding up of companies. The CA 2013 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of the company. It plays a fundamental role in protecting the investors and the shareholders and balances it with different aspects of company autonomy. The Ministry of Corporate Affairs has also issued Rules complementary to the Act, establishing the procedure to be followed by the companies in order to comply with the substantive provisions of the CA 2013.

### ***Competition Act, 2002***

The Competition Act, 2002 ("Competition Act") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anticompetitive agreements, abuse of dominant position and combinations. The Competition Commission of India which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

### ***The Transfer of Property Act, 1882***

The Transfer of Property Act, 1882 ("TP Act") as amended, establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingencies and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

### ***The Registration Act, 1908***

The Registration Act, 1908, as amended, has been enacted with the objective of providing public notice of the execution of documents affecting, inter alia, the transfer of interest in immovable property. The purpose of the Registration Act, 1908 is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument.

### ***The Indian Stamp Act, 1899***

Under the Indian Stamp Act, ("Stamp Act") 1899, as amended stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from State to State.

The Maharashtra Stamp Act, 1958 applies to the entire State of Maharashtra. Only the instruments

specified in the Schedule I to the Act are covered by this Act. All other instruments are either chargeable under the Indian Stamp Act (e.g., transfer of shares) or are not chargeable at all (i.e., if they are not specified under the Act as well as under the Indian Stamp Act).

### ***Negotiable Instruments Acts, 1881***

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881 ("**NI Act**"), which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, and with fine which may extend to twice the amount of the cheque, or with both.

### ***Shops and Establishments Legislation***

The provisions of shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. Our Company has its registered office in the State of Maharashtra. Accordingly, the provisions of the Maharashtra Shops and Establishments Act, 1948 are applicable to our Company. T Maharashtra Shops and Establishments Act, 1948, as amended, regulates the conditions of work in shops, commercial establishments, restaurants, theatres and other establishments in Maharashtra and makes provisions for the opening and closing of shops, daily and weekly hours of work, employment of children and young persons, health and safety measures, wages etc.

### ***The Arbitration and Conciliation Act, 2015***

The Arbitration and Conciliation Act ("**Arbitration Act**") was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration. The Act provides for the arbitral tribunal to give reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction and thus minimizing the supervisory role of courts in the arbitral process. There are many provisions that also permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be

treated as a foreign award.

## **HISTORY AND CERTAIN CORPORATE MATTERS**

### **Brief History of our Company**

Our Company was incorporated as SoftTech Engineers Private Limited under the provisions of Companies Act 1956 vide Certificate of Incorporation dated June 17, 1996 at Ahmedabad, Gujarat bearing registration no. 04-29960 of 1996-97. The Registered office of our Company was originally situated at 1008, City Center, A.C. Market, Parle Point, Surat. The Registered office of our Company was subsequently shifted to 1<sup>st</sup> Floor, Balaji House, Opposite Telephone Exchange, Bajirao Road, Pune – 411030, Maharashtra pursuant to a special resolution passed by the shareholders of our Company at its extra-ordinary general meeting held on July 18, 2000 and the order passed by the Company Law Board, Western Region Bench, Mumbai dated October 12, 2001. A certificate of registration of the order of the Company Law Board dated October 12, 2001 confirming transfer of the registered office from State of Gujarat to the State of Maharashtra was issued by the Registrar of Companies, Pune on January 29, 2002. .The Registered office of our Company was once again shifted to 259, Butte Patil Complex, Dashbhuja Ganpati, Karve Road, Pune – 411030 pursuant to Board resolution dated May 5, 2003. The Registered office of our Company was once again shifted to 'The Pentagon', Unit No. 5A, Near Satara Road Telephone Exchange, Shahu College Road, Parvati, Pune 411009 pursuant to Board resolution dated September 1, 2005. The name of our Company was subsequently changed to SoftTech Engineers Limited pursuant to special resolution passed by the shareholders of our Company at the EGM held on February 22, 2018 and a fresh certificate of incorporation consequent upon conversion from Private Company to Public Company was issued by the RoC, Pune on March 1, 2018. The corporate identity number of the company is U30107PN1996PLC016718.

Mr. Vijay Gupta and Mr. Shyam Bhandari were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company's business profile, activities, products, technology, market segments, the standing of our Company with reference to prominent competitors in connection with our products, geographical presence, major suppliers and customers, environment issues please refer to chapters titled "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 151, 135 and 213, respectively of this Red Herring Prospectus.

For details of the management of our Company and its managerial competence, please refer to the chapter titled "*Our Management*" beginning on page 184 of this Red Herring Prospectus.

### **Address of the Registered Office**

#### **SoftTech Engineers Limited**

'The Pentagon',  
Unit No. 5A,  
Near Satara Road Telephone Exchange,  
Shahu College Road,  
Parvati, Pune 411009  
Maharashtra, India  
**CIN:**U30107PN1996PLC016718  
**Website:**[www.Softtech-engr.com](http://www.Softtech-engr.com)  
**Email id:** [investors@Softtech-engr.com](mailto:investors@Softtech-engr.com)  
**Tel. No:**+91 – 20 - 24217676  
**Facsimile:** +91-20 - 24218747

## **Changes in Registered Office**

We set out below the changes in registered office of our Company since inception which was shifted for administrative convenience of our Company:

<b>Date</b>	<b>From</b>	<b>To</b>	<b>Purpose</b>
July 18, 2000	1008, City Center, A.C. Market, Parle Point, Surat	1 <sup>st</sup> Floor, Balaji House, Opposite Telephone Exchange, Bajirao Road, Pune – 411030, Maharashtra	Administrative convenience
May 5, 2003	1 <sup>st</sup> Floor, Balaji House, Opposite Telephone Exchange, Bajirao Road, Pune – 411030, Maharashtra	259, Butte Patil Complex, Dashbhuja Ganpati, Karve Road, Pune – 411030	Administrative convenience
September 1, 2005	259, Butte Patil Complex, DashbhujaGanpati, Karve Road, Pune – 411030	'The Pentagon', Unit No. 5A, Near Satara Road Telephone Exchange, Shahu College Road, Parvati, Pune 411009	Administrative convenience

## **Main Objects of our Company**

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

1. *To carry on in India or elsewhere the business to manufacture, develop, import, export, buy, sell, distribute, transfer, lease, hire, license, use, dispose off, operate, fabricate, assemble, record, maintain, repair, recondition, work, alter, convert, improve, procure, install, modify and to act as consultant, agent, broker, franchiser, job worker, representative, advisor or otherwise to deal in all kinds of computers, calculators, micro processors, electronic and electrical apparatus, software, equipments, gadgets, peripherals, modulators, auxiliary instruments, tools, plants, machines, works, systems, convenie, spare parts, accessories, devices, components, fixture of different capacities, sizes, specifications, applications, descriptions and models used or may be used in the field of space aviations, surface water and air transports, railways, defence, medical, engineering, industries, construction, minings, powers, traffics, offices, police, communications, trade, commerce, weather satellite, research, hospitals, hotels, advertising, education, decorations, automobiles, geographical, recreational, domestic and other allied purposes such as computers, mini computers, super computers, pocket computers, personal computers,micro computers, engineering computers, general purpose and process control computers information and word processing equipments , copying machines and electronic typewriters.*
2. *To promote, encourage, establish, develop, maintain, organize, undertake, manage, operate, conduct and to run in India or abroad computer training centres, data processing centres, computer coaching classes, computer consultancy business, software consultancy and other allied activities for all sort of services relating to computers, its maintenance, repairs, programmes operations, for industrial, commercial, domestic, public, utility, defence government, and other general customers or sections of society.*
3. *To carry on in India or elsewhere the business of manufacturing, designing, developing, printing, buying, selling, converting, importing, exporting, processing, packing, or otherwise dealing in all*

*kinds of paper computer stationery paper stationery.*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

### **Changes in the Memorandum of Association**

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars of Changes in Memorandum of Association	Date of Meeting	AGM / EGM
1.	<u>Change in the Registered Office Clause</u>  The Registered Office of our Company was shifted from the state of Gujarat to the state of Maharashtra.	July 18, 2000	EGM
2.	<u>Change in the Authorised Share Capital</u>  The Authorised Share Capital was increased from Rs. 5,00,000 consisting of 50,000 Equity shares of Rs. 10/- each to Rs. 65,00,000 consisting of 3,50,000 Equity Shares of Rs. 10/- each and 30,000 13% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each.	March 24, 2003	EGM
3.	<u>Reclassification in the Authorised Share Capital</u>  The Authorized Capital of the Company has been reclassified from Rs. 65,00,000 comprising 3,50,000 Equity Shares of Rs. 10/- each and 30,000 13% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each to Rs. 65,00,000 comprising of 6,50,000 Equity Shares of Rs. 10/- each.	September 29, 2007	AGM
4.	<u>Reclassification in the Authorized Share Capital</u>  The Authorized Capital of the Company has been reclassified from Rs. 65,00,000 comprising 6,50,000 Equity Shares of Rs. 10/- each to Rs. 65,00,000 comprising of 6,00,000 Equity Shares of Rs. 10/- each and 50,000 Fully Convertible Cumulative Preference Shares of Rs. 10/- each.	March 5, 2008	EGM
5.	<u>Change in the Authorised Share Capital</u>  The Authorised Share Capital was increased from Rs.65,00,000/- consisting of 6,00,000 Equity Shares of Rs.10/- each and 50,000 Fully Convertible Cumulative Preference Shares of Rs. 10/- each to Rs. 2,65,00,000/- consisting of 26,00,000 Equity Shares of Rs. 10/-each and 50,000 Fully Convertible Cumulative Preference Shares	February 5, 2010	EGM

Sr. No.	Particulars of Changes in Memorandum of Association	Date of Meeting	AGM / EGM
	of Rs. 10/- each.		
6.	<p><u>Reclassification in the Authorised Share Capital</u></p> <p>The Authorized Capital of the Company has been reclassified by reclassifying the existing unissued 50,000 Fully Convertible Cumulative Preference Shares of Rs. 10/- each to 50,000 Compulsory Convertible Preference Shares of Rs. 10/- each.</p>	March 24, 2014	EGM
7.	<p><u>Change in the Authorised Share Capital</u></p> <p>The Authorised Share Capital was increased from Rs. 2,65,00,000/- consisting of 26,00,000 Equity Shares of Rs. 10/-each and 50,000 Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each to Rs. 3,80,00,000/- consisting of 28,00,000 Equity Shares of Rs. 10/-each and 10,00,000 Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each.</p>	March 24, 2014	EGM
8.	<p><u>Change in the Authorised Share Capital</u></p> <p>The Authorised Share Capital was increased from Rs. 3,80,00,000/- consisting of 28,00,000 Equity Shares of Rs. 10/-each and 10,00,000 Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each to Rs. 4,60,00,000/- consisting of 36,00,000 Equity Shares of Rs. 10/-each and 10,00,000 Compulsory Convertible Preference Shares of Rs. 10/- each.</p>	January 29, 2016	EGM
9.	<p><u>Reclassification in the Authorised Share Capital</u></p> <p>The Authorized Capital of the Company has been reclassified from Rs. 4,60,00,000/- comprising of 36,00,000 Equity Shares of Rs. 10/- each and 10,00,000 Compulsory Convertible Preference Shares of Rs. 10/- each to Rs. 4,60,00,000/- comprising of 46,00,000 Equity Shares of Rs. 10/- each.</p>	February 3, 2018	EGM
10.	<p><u>Change in the Authorised Share Capital</u></p> <p>The Authorised Share Capital was increased from Rs. 4,60,00,000/- consisting of 46,00,000 Equity Shares of Rs. 10/- each to Rs. 11,00,00,000/- consisting of 1,10,00,000 Equity Shares of Rs. 10/- each.</p>	February 3, 2018	EGM
11.	<p><u>Change in the name</u></p> <p>The name of the Company was changed from SoftTech</p>	February 22, 2018	EGM

Sr. No.	Particulars of Changes in Memorandum of Association	Date of Meeting	AGM / EGM
	Engineers Private Limited to SoftTech Engineers Limited upon conversion from a private Company to a public company		

### Total Number of shareholders of our Company

As on the date of this Red Herring Prospectus, our Company has 8 (eight) shareholders. For further details on the shareholding of our Company, please refer to the chapter titled "*Capital Structure*" beginning on page 75 of this Red Herring Prospectus.

### Major events and milestones of our Company

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

Year	Details
1996	Incorporation of our Company
1996	Our company released first version of "STRUUDS" (Structural Analysis, Design & Detailing Software) for Concrete Building Design.
1997	The sales in "STRUUDS" progressed and the software was accepted by more than 100 customers across India. STRUUDS received ACCE – CDC Award for "Best Software in Civil Engineering" for the year 1997 from Association of Consulting Civil Engineers (India).
1999	Our company's total team size exceeded 50 in number.
2000	First version of "SEPL-ESRGSR" software for Structural Analysis, Design & Detailing of Elevated Service Reservoirs & Ground Service Reservoirs was released by our Company.
2003	Received venture capital funding from SIDBI Trustee Company Ltd. A/c National Venture Fund.
2004	Our company received ISO 9001:2000 certification for quality management in development and marketing of software products and IT solutions..
2004	First implementation of "PWIMS" (Public Works Management System)
2005	Our company's total team size exceeded 100 in number.
2007	Our Company was awarded the project for maintenance of Auto DCR and BPAMS i.e. the dedicated software for automating the building permission systems by the Pune Municipal Corporation on November 3, 2007
2007	Our software Auto DCR received worldwide recognition at the World Leadership Awards held at London on December 6, 2007 when the city of Pune was declared to be the winner under Architecture and Civil Engineering category for Automatic Scrutiny of Building Proposals.
2010	The first version of OPTICON (ERP for Construction Enterprises) was released by our Company.
2011	Our Company received ISO 9001:2008 certification for quality service in development and marketing of software products and IT solutions.
2013	Our Company's team size exceeded 200 in number.
2013	Our Company was awarded the project for implementation of Automated Building Permission Approval System (ABPAS) in 14 municipal corporations in the State of Madhya Pradesh for the period June 2013 to December 2018 by the Directorate of Urban Administration & Development, Madhya Pradesh.

<b>2014</b>	Received Venture Capital funding from Rajasthan Trustee Company Private Limited A/c SME Tech Fund RVCF Trust II
<b>2014</b>	Our Automated Building Permission Approval System (ABPAS) received recognition and acclaim and a National Award in Gold category was presented to Indore Municipal Corporation by the Government of India for innovative use of technology in e-Governance for the year 2013 – 2014.
<b>2017</b>	Our company received ISO 9001:2015 certification for its management system in development and marketing of software products and IT solutions.
<b>2017</b>	Our Company's team size exceeded 350 in number.
<b>2018</b>	Our Company was converted into a Public Company limited by shares and consequently the name of our Company was changed from SoftTech Engineers Private Limited to SoftTech Engineers Limited.

### **Accreditations and Certifications**

<b>Year</b>	<b>Details</b>
<b>1997</b>	Our software STRUDS received ACCE – CDC Award for "Best Software in Civil Engineering" for the year 1997 from Association of Consulting Civil Engineers (India).
<b>2008</b>	Honoured with 'Glory' award for Pre-DCR Software by Marathi Bandhkam Vyavasayik Association.
<b>2010</b>	Recipient of the Good Governance National Technology Leadership Award 2010 awarded by Good Governance Forum
<b>2010</b>	Declared as the winner for Digital Inclusion for Development awarded by the Manthan Award South Asia, 2010
<b>2011</b>	Recipient of Indian Achievers Awards, 2011 for Emerging Company on the occasion of 29 <sup>th</sup> India International Achievers Summit on "The Indo-Thai Business Relations".
<b>2012</b>	Declared as the winner for the Best Urban ICT Initiative of the year for our software Auto DCR by the Government of Maharashtra at the e-Governance Awards 2012
<b>2013</b>	Awarded the G.S. Parkhe Industrial Merit Award for the product Auto DCR at the MCCIA Innovation and Entrepreneurship Awards, 2013 organised by the Mahratta Chamber of Commerce, Industries and Agriculture, Pune, India.
<b>2013</b>	Declared as the Municipal e-Governance Partner for India Urban Development Vision, 2020 by Wisitex Foundation
<b>2016</b>	Conferred with AIMA – Dr. J S Juneja Award for "Creativity and Innovation for Micro, Small and Medium Enterprises" 2015 by All India Management Association (AIMA)
<b>2016</b>	Recipient of Autodesk Top Growth Award 2016 presented by PSEB
<b>2016</b>	Recipient of Axis Bank India SME 100 Awards for scoring in the top 100 in the overall evaluation of the financial and non-financial parameters amongst 41,832 nominations
<b>2017</b>	EN ISO 9001:2015 received by the Company from TUV Austria for Development and Marketing of Software Products and IT Solutions

### **Strike and lock-outs**

We have not experienced any strikes, lock-outs or labour unrest in the past.

### **Time/cost overruns**

Our Company has not experienced time and cost overruns in the past.

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

There has been no change in the activities of our Company during the last five years prior to the date of this Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

### **Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by our Company**

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

### **Capital raising activities through equity or debt**

Our equity issuances in the past have been provided in "*Capital Structure*" beginning on page 75 of this Red Herring Prospectus. Further, our Company has not undertaken any public offering of debt instruments since its inception.

### **Injunctions or restraining order against our Company**

Except as disclosed in the section titled "*Outstanding Litigation and Material Developments*" beginning on page 238 of this Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

### **Revaluation of assets by the Company**

Our Company has not revalued its assets since its incorporation.

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

Our Company has not acquired any business or undertaking, and has not undertaken any mergers, amalgamation.

### **Shareholders' agreements**

As on the date of this Red Herring Prospectus, our Company has not entered into any shareholders' agreements that are subsisting except as set forth below:

Share Subscription and Shareholders' Agreement between Mr. Vijay Gupta, Mrs. Priti Gupta, B.K. Patel, our Company and SME Tech Fund (the "Investor") dated March 28, 2014 (the "SSHA"). The SSHA sets out the terms and conditions subject to which the Investor has subscribed to 883 and 8,60,867 Compulsorily Convertible Cumulative Preference Shares of Rs. 10/- each (the "CCCPs"), for a total consideration of Rs.10,00,99,855/. The SSHA also contains provisions such as restriction on transfers, right of first refusal, tag along rights, further issue, anti-dilution rights, drag along rights, listing, strategic sale and buy-back etc.

In terms of the SSHA, our Company is required to provide an exit option to the Investor, either by way of an initial public offering offer for sales, strategic sale or buy-back. The SSHA is to remain in force until the Investor ceases to be a shareholder of equity more than 2.5% on fully diluted share capital in the Company.

### **Joint Venture and Other Agreements**

As on the date of filing this Red Herring Prospectus, there is no existing joint venture or other material agreements entered into by our Company which is not in its ordinary course of business.

### **Financial and Strategic Partners**

Our Company does not have any financial and strategic partners as on the date of filing this Red Herring Prospectus.

### **Other Material Agreements**

There are no material agreements or contracts, which have been entered into by our Company within a period of two years prior to the date of this Red Herring Prospectus, which are not in the ordinary course of business.

### **Technology, market competence and capacity build-up**

For details on the technology, market competence and capacity build-up of our Company, please refer to the chapter titled "*Our Business*" beginning on page 151 of this Red Herring Prospectus.

### **Our Holding Company**

Our company does not have any other holding company as on the date of this Red Herring Prospectus.

### **Our Subsidiary**

Our Company does not have any subsidiary as on the date of filing this Red Herring Prospectus.

## OUR MANAGEMENT

### **Board of Directors**

As per the Articles of Association, our Company is required to have not less than three (3) directors and not more than fifteen (15) directors. Currently, our Company has five (5) Directors out of which 2 are Executive Directors, 1 is a Nominee Director appointed by the Selling Shareholder. The following table sets forth details regarding the Board of Directors as on the date of this Red Herring Prospectus:

<b>Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN</b>	<b>Nationality</b>	<b>Age</b>	<b>Other Directorships as on the date of this Red Herring Prospectus</b>
Mr. Vijay Gupta	Indian	55	Public Limited Entities:
<b>Father's Name:</b> Late Shantiswarup Gupta			Nil
<b>Nature of Directorship:</b> Chairman and Managing Director			Private Limited Entities:
<b>Residential Address:</b> Flat No. B1 – 503, Gagan Vihar, Bibvewadi Kondhwa Road, Near Market Yard, Pune 411037, Maharashtra			Covisile Solutions (India) Private Limited
<b>Date of Appointment:</b> June 21, 1996			Foreign Entities:
<b>Date of Re-Appointment:</b> February 24, 2015 as Managing Director not liable to retire by rotation.			SoftTech Engineers INC, USA
Appointed as the Chairman of the Company with effect from March 3, 2018.			
<b>Term:</b> 5 years with effect from February 24, 2015			
<b>Occupation:</b> Business			
<b>DIN:</b> 01653314			
Mrs. Priti Gupta	Indian	52	Public Limited Entities:
<b>Father's Name:</b> Mr. Harikisan Boiaramji Agrawal			Nil
<b>Husband's Name:</b> Mr. Vijay Gupta			Private Limited Entities:
<b>Nature of Directorship:</b> Whole-time Director			Covisile Solutions (India) Private Limited
			Foreign Entities:



<b>Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN</b>	<b>Nationality</b>	<b>Age</b>	<b>Other Directorships as on the date of this Red Herring Prospectus</b>
			xii. Cucumber Agri Services Private Limited iii. QGI Work Force Development Solutions Private Limited
			Foreign Entities: Nil LLP
			Evista Tecccon LLP
Mr. Ravi Mathur	Indian	47	Public Limited Entities: NIL
<b>Father's Name:</b> Mr. Om Prakash Mathur			Private Limited Entities: Chatha Foods Private Limited
<b>Nature of Directorship:</b> Non-Executive Nominee Director			Foreign Entities: Nil
<b>Residential Address:</b> 29, Sanjay Marg, Hathroi port, Near Vidhayak Puri Police Station, Jaipur – 302001, Rajasthan.			Term: Until earlier resignation or his disassociation with Selling Shareholder.
<b>Date of Appointment:</b> April 28, 2017 not liable to retire by rotation			<b>Occupation:</b> Service
<b>DIN:</b> 01777668			
Mr. Pillalamarri Sridhar	Indian	58	Public Limited Entities: Nil
<b>Father's Name:</b> Mr. Sastry Venkata Krishna Pillalamarri			Private Limited Entities: Ubiquare Health Private Limited
<b>Nature of Directorship:</b> Non-Executive Independent Director			Foreign Entities: Nil
<b>Residential Address:</b> A-302, August Park, 1 <sup>st</sup> B Cross, Kaggadasapura, MN Road, CV Raman Nagar, Bengaluru – 560093, Karnataka India			

<b>Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN</b>	<b>Nationality</b>	<b>Age</b>	<b>Other Directorships as on the date of this Red Herring Prospectus</b>
<b>Date of Appointment:</b> March 3, 2018			
<b>Term:</b> 5 year, Not liable to retire by rotation			
<b>Occupation:</b> Business			
<b>DIN:</b> 00026018			

### **Brief Biographies of the Directors**

#### **Mr. Vijay Gupta**

Mr. Vijay Gupta, aged 55 years, is the sole Promoter, Chairman and the Managing Director of our Company. He is an Indian national and first Director of our Company. He holds a Master's degree in Technology in the stream of Civil Engineering from the Indian Institute of Technology, Mumbai (IIT, Bombay)., He started his career as a Research Associate and worked with CAD/CAM divisions of Crompton Greaves Limited for 3.5 years and Godrej & Boyce Limited for 1.5 years.. Mr. Gupta is a first generation entrepreneur and has an experience of over 25 years in development of complex BIM/CAD/CAE/Project Management enterprise software in Architecture-Engineering-Construction domain. He has been associated with our Company since incorporation and was reappointed as the Managing Director of our Company with effect from February 24, 2015 for a period of 5 years. He has been the architect and driving force behind building path breaking innovative software products of our Company and has contributed immensely towards the overall growth and success of our Company. These made in India technology products has been contributing significantly in accelerating the Indian Government's vision of improving Ease of Doing Business in India in construction permits and are strong tools for approvals and monitoring of buildings and infrastructures in smart cities.

#### **Mrs. Priti Gupta**

Mrs. Priti Gupta, aged 52 years, is the Whole-time Director of our Company. She is an Indian national and has been a director of our Company since October 27, 2007. She holds a Master's degree in management studies from the L.N. Welingkar Institute of Management and Research, University of Mumbai (Bombay), Mumbai, Maharashtra. She also holds a bachelor's degree in science in the stream of physics from University of Mumbai and a post graduate diploma in Computer Programming Systems Analysis and Applications from Board of Technical Examination, Maharashtra State. She joined our Company in the year 2007 as a director and also the head of the human resource and administration department and during her stint with the Company has been instrumental in bringing the ISO processes to the Company. Mrs. Gupta has over 10 years of experience in business processes and management, training, human resource & administration operations. She was appointed as the Whole-time Director of our Company with effect from February 24, 2015 for a period of 5 years.

#### **Mr. Rahul Gupta**

Mr. Rahul Gupta, aged 51 years, is a Non-Executive Independent Director of our Company. He is an Indian national and has been a non-executive non-independent director of our Company since June 4, 2010. He holds a bachelor's degree in mechanical engineering from Punjab University and a master's

degree in business administration (MBA) from Kurukshetra University. Mr. Rahul Gupta was previously associated with IFCI Venture Capital Funds Limited as an Assistant General Manager for 7.5 years. He was appointed as a Non-Executive Independent Director of our Company with effect from March 3, 2018.

### **Mr. Ravi Mathur**

Mr. Ravi Mathur, aged 47 years, is a Non-Executive Nominee Director on the Board of our Company. He is an Indian national and has been a director of our Company since April 28, 2017. He was appointed as a non-executive nominee director on our Board to represent the interest of the Selling Shareholder in terms of Share Subscription and Shareholders Agreement dated March 28, 2014.

### **Mr. Pillalamarri Sridhar**

Mr. Pillalamarri Sridhar is a Non-Executive Independent Director of our Company. He has been appointed as a Non-Executive Independent Director on the Board of our Company with effect from 03<sup>rd</sup> March, 2018. He holds a Bachelor's degree in Technology in the stream of Electrical Engineering from the Indian Institute of Technology, Kharagpur, and Master's degree in Technology in the stream of Electrical Engineering with specialization in Control and Instrumentation from the Indian Institute of Technology, Mumbai (IIT, Bombay).

### **Nature of any family relationship between our Directors**

Except as disclosed below, no other directors are termed as relatives within the meaning of section 2(77) of the Companies Act, 2013; none of our directors of our Company are related to each other.

Name of Director	Relationship
Mr. Vijay Gupta	Husband of Mrs. Priti Gupta
Mrs. Priti Gupta	Wife of Mr. Vijay Gupta

### **We also confirm that:**

1. All of our directors are Indian nationals.
2. None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of this Red Herring Prospectus.
3. None of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies. None of our Promoter, Directors or persons in control of our Company, have been or are involved as promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI.
4. None of our Directors are directors on the board of any company, which is a service provider to our Company.
5. None of our Directors, currently on the Board, have been disqualified to hold office as a Director of our Company under the Companies Act.
6. Mr. Ravi Mathur has been appointed as a Non-Executive Nominee Director on the Board of our Company pursuant to Share Subscription and Shareholders Agreement dated March 28, 2014. Except for the appointment of Mr. Ravi Mathur, there is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors were selected as director or member of senior management.
7. There is no service contract entered into by the Directors with the Company providing for benefits upon termination of employment.
8. Further, none of our Directors is / was a Director of any listed Company which has been / was

delisted from any Recognized Stock Exchange.

### **Details of Borrowing Powers of our Directors**

Pursuant to a special resolution passed at the Extra Ordinary General Meeting of our Company held on February 3, 2018 under the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act and rules made there under, the Board of Directors of our Company is authorized to borrow monies from time to time in excess of aggregate of paid up capital and free reserves (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of Rs. 10,000 Lakhs.

### **Director's association with the Securities Market**

None of the Directors of our Company are associated with securities market.

### **Terms of appointment of Managing Director and Whole-time Directors**

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force. Our Company has one Managing Director and one Whole-time Director. The terms of the appointment of our Managing Director and the Whole-time Director are set out below.

#### **Mr. Vijay Gupta**

<b>Particulars</b>	<b>Remuneration</b>
Remuneration	Rs. 40,00,000 per annum plus incentive at the rate of 20% on the annual remuneration.
Designation	Chairman and Managing Director
Appointment as Chairman cum Managing Director	As a Managing Director with effect from February 24, 2015 As a Chairman with effect from March 3, 2018
Remuneration paid for F.Y. 2016-2017	Rs. 44,00,000 (including incentives).
Perquisites	Nil

#### **Mrs. Priti Gupta**

<b>Particulars</b>	<b>Remuneration</b>
Basic Salary	Rs. 10,29,600 per annum
Designation	Whole-time Director
Appointment as Whole-time Director	February 24, 2015
Remuneration paid for F.Y. 2016-2017	9,36,000
Perquisites	Nil

#### **Mr. Babulal Patel\***

<b>Particulars</b>	<b>Remuneration</b>
Basic Salary	Rs. 1,94,166 per annum**
Designation	Whole-time Director
Appointment as Whole-time Director	July 28, 2016
Remuneration paid for F.Y. 2016-2017	3,00,000
Perquisites	Nil

\*Mr. Babulal Patel ceased to be a Director of our Company with effect from November 23, 2017 due to vacation of his office as a Director.

\*\* The amount of Rs. 1,94,166 payable to Mr. Babulal Patel is outstanding as on the date of filing this Red Herring Prospectus.

### **Payment or benefit to Non-Executive Directors of our Company**

Apart from the remuneration of our Executive Directors as provided under the heading "Terms of appointment of Managing Director and Whole-time Directors" above, our Non-Executive Independent Directors are entitled to be paid a sitting fee as decided by our board of directors subject to the limits prescribed by the Companies Act, 2013 and the rules made thereunder and actual travel, boarding and lodging expenses for attending the Board or committee meetings. They may also be paid commissions and any other amounts as may be decided by the Board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

### **Shareholding of Directors in our Company**

The details of the shareholding of our Directors as on the date of this Red Herring Prospectus are as follows.

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>No. of Equity Shares</b>	<b>Percentage of Pre-Offer Capital (%)</b>	<b>Percentage of Post-Offer Capital (%)</b>
1.	Vijay Gupta	36,81,234	52.21	[●]
2.	Priti Gupta	33,090	0.47	[●]
	Total	<b>37,14,324</b>	<b>52.68</b>	<b>[●]</b>

### **Interest of Directors**

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles. The Executive Directors will be interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to their relatives or the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners. For further details, please refer to the chapter titled "Related Party Transaction" beginning on page 210 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding 2 (two) years from the date of this Red Herring Prospectus in which our Directors are interested directly or indirectly and no payments have been made to them in respect of such contracts, agreements or arrangements. For further details, please refer to chapter titled "Restated Financial Statements" beginning on page 212 of this Red Herring Prospectus.

Our Whole-time Director Mrs. Priti Gupta has entered into a lease agreement dated October 17, 2012 in respect of property being Unit No. 5C, 'The Pentagon', Near Pune Satara Road Telephone Exchange, Shahu College Road, Parvati, Pune for a period of 5 years which has been subsequently further extended for a period of 3 years from July 1, 2017 to June 30, 2020 by way of a letter of extension dated October 24, 2016.

Save and except as disclosed above and elsewhere in the Red Herring Prospectus, none of our Directors have any interest in any property acquired by our Company within two (2) years of the date of this Red Herring Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building. Further, except as disclosed under sub-section "Shareholding of Directors in our Company" above, none of our Directors hold any Equity Shares, Preference Shares or any other form of securities in our Company.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

Other than as stated above and except as stated in the sections titled "Financial Statement as Restated", "Our Promoters and Promoter Group" and "Related Party Transactions" beginning on pages 205, [●] and 210 respectively of this Red Herring Prospectus, our Directors do not have any other interest in the business of our Company.

None of the relatives of our Directors have been appointed to a place or office of profit in our Company. For further details, please refer to chapter titled "Our Management – Remuneration to Executive Directors" beginning on page 184 of this Red Herring Prospectus.

Further, except as provided hereunder, our Directors are not interested in our Company in any manner:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Interest and nature of interest</b>
1.	Mr. Vijay Gupta	Our Company has borrowed interest free unsecured loans as on October 31, 2017 amounting to Rs. 159.40 Lakhs from our Director Mr. Vijay Gupta. For further details on the outstanding loans from our Directors and the payments made by our Company in respect of the said loans, please refer to the chapters titled "Financial Indebtedness", "Restated Financial Statements" and "Related Party Transactions" beginning on page 231, 212 and 210 of this Red Herring Prospectus.
2.	Mrs. Priti Gupta	Our Company has borrowed interest free unsecured loans as on October 31, 2017 amounting to Rs. 6.37 Lakhs from our Director Mrs. Priti Gupta. For further details on the outstanding loans from our Directors and the payments made by our Company in respect of

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Interest and nature of interest</b>
		the said loans, please refer to the chapters titled "Financial Indebtedness", "Restated Financial Statements" and "Related Party Transactions" beginning on page 231, 212 and 210 of this Red Herring Prospectus.
2.	Mrs. Priti Gupta	Our Company has entered into a Rent Agreement dated October 17, 2012 with Mrs. Priti Gupta in respect of our administrative office bearing no. 5C, 5 <sup>th</sup> Floor, The Pentagon, Near Pune Satara Road, Parvati, Pune 411009 for a period of 5 years upto June 30, 2017. The said rent agreement has been extended for a further period of 3 years upto June 29, 2020. Mrs. Priti Gupta is entitled to payment of rent from the Company for the use of the said property at a yearly escalation rate of 5% p.a.

### **Other Confirmations**

As on the date on this Red Herring Prospectus:

1. There is no contingent or deferred compensation payable to any Director, Managing Director which has accrued for this year and payable in current or any future period.
2. There is no bonus or profit sharing plan for the Directors.
3. Mr. Vijay Gupta, Chairman and Managing Director, was paid incentives amounting to Rs. 6,00,000 pursuant to resolution passed by the Board at its meeting held on March 8, 2016. Except as mentioned above, no amount or benefit has been paid or given within the 2 (two) preceding years or is intended to be paid or given to any of our Directors, except the normal remuneration for services rendered as Directors.

### **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:

<b>Sr. No.</b>	<b>Name of the Director &amp; Designation</b>	<b>Date of Appointment/Reappointment/ Resignation</b>	<b>Reason</b>
1	Mr. Girish Gupta <i>(Nominee Director)</i>	February 18, 2017	Resigned as a Nominee Director
		February 24, 2016	Vacation of Office as a Director
		July 28, 2016	Appointment as an Additional Director
2	Mr. Babulal Patel <i>(Whole-time Director)</i>	July 28, 2016	Appointment as a Whole-time Director
		November 23, 2017	Vacation of Office as a Director
3	Priti Gupta <i>(Whole-time Director)</i>	February 24, 2015	Appointment as a Whole-time Director
4	Mr. Vijay Gupta <i>(Managing Director)</i>	February 24, 2015	Appointment as a Managing Director
5	Mr. Ravi Mathur <i>(Non-Executive Nominee Director)</i>	April 28, 2017	Appointment as a Non-Executive Nominee Director

<b>Sr. No.</b>	<b>Name of the Director &amp; Designation</b>	<b>Date of Appointment/ Reappointment/ Resignation</b>	<b>Reason</b>
6	Mr. Pillalamarri Sridhar ( <i>Non -Executive Independent Director</i> )	March 3, 2018	Appointment as a Non-Executive Independent Director
7	Mr. Rahul Gupta ( <i>Non-Executive Independent Director</i> )	March 2, 2018	Resignation as Non-Executive Director
		March 3, 2018	Appointment as a Non-Executive Independent Director

### **Compliance with Corporate Governance**

The requirements pertaining to the composition of the Board of Directors as per Section 149 of Companies Act, 2013 and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committees and Corporate Social Responsibility Committee as per Section 177, 178 and 135 of companies Act, 2013, respectively, will be applicable to our Company on listing on EMERGE platform of National Stock Exchange of India and shall be complied with prior to listing.

Our Board has been constituted in compliance with the Companies Act and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically. Our Board of Directors consist of 5 directors of which 1 is Non-Executive Nominee Director, and 2 are Non-Executive Independent Director, and we have one women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013. Our Company has constituted the following committees:

### **Committees of our Board**

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder's Relationship Committee
4. CSR Committee
5. IPO Committee

#### **1. Audit Committee**

The Audit Committee of our Board was constituted by our Directors by a Board resolution dated March 3, 2018 pursuant to Section 177 and other applicable provisions of Companies Act, 2013 and any other applicable provisions. The Audit Committee is constituted with the following members:

<b>Name of the Director</b>	<b>Status Committee</b>	<b>inNature of Directorship</b>
Mr. Vijay Gupta	Chairman	Managing Director
Mr. Rahul Gupta	Member	Non-Executive Independent Director
Mr. Pillalamarri Sridhar	Member	Non-Executive Independent Director

Ms. Aishwarya Patwardhan, our Company Secretary and Compliance Officer, shall be the

secretary to Audit Committee.

The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Powers and Role of the Audit Committee:**

The Role of Audit Committee together with its powers shall be as under:

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- Approving initial or any subsequent modification of transactions of the company with related parties;
- Scrutinizing inter-corporate loans and investments
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
  - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 134 of the Companies Act,2013 ;
  - b. changes, if any, in accounting policies and practices along with 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; and
  - g. modified opinion in the draft audit report.
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with the internal auditors any significant findings and follow up there on;

- 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;
- Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
- Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

## **B. Mandatory review by the Audit Committee**

The Audit Committee shall mandatorily review the following:

- a) management discussion and analysis of financial condition and results of operations;
- b) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) internal audit reports relating to internal control weaknesses; and
- e) the appointment, removal and terms of remuneration of the chief internal auditor.
- f) statement of deviations: (a) half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

Any member of the audit committee may be removed or replaced at any time by the Board. Any member of the Committee ceasing to be the Director shall be ceased to be the member of the Audit Committee.

## **2. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of our Board was constituted by our Directors by a Board resolution dated March 3, 2018 pursuant to Section 178 and other applicable provisions of Companies Act, 2013 and any other applicable provisions. Nomination and Remuneration Committee is constituted with the following members:

Name of the Director	Status in Committee	Nature of Directorship	
Mr. Pillalamarri Sridhar	Chairman	Non-Executive Director	Independent
Mr. Rahul Gupta	Member	Non-Executive Director	Independent
Mr. Ravi Mathur	Member	Non-Executive Director	

Ms. Aishwarya Patwardhan, our Company Secretary and Compliance Officer, is the secretary

to Nomination and Remuneration Committee.

The scope and function of the Committee and its terms of reference shall include the following:

**A. Terms of Reference:**

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board a policy relating to the remuneration for directors, KMPs and other employees.
3. formulation of criteria for evaluation of performance of independent directors and our Board;
4. Devising a policy on diversity of Board of Directors;
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
7. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
8. 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.
9. Decide the amount of Commission payable to the Whole time Directors.
10. 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.
11. To formulate and administer the Employee Stock Option Scheme.
12. To perform such functions as may be assigned to them by the Board of Directors, from time to time.

The Chairman of the aforesaid committee is entitled to attend the General Meeting of the Company to furnish clarifications to the shareholders on any matter relating to remuneration.

**3. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee of our Board was constituted by our Directors by a Board resolution dated March 3, 2018 pursuant to Section 178 of the Companies Act and any other applicable provisions. The Stakeholder Relationship Committee is constituted with the following directors:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Rahul Gupta	Chairman	Non-Executive Independent Director
Mr. Pillalamarri Sridhar	Member	Non-Executive Independent Director
Mr. Vijay Gupta	Member	Managing Director

Ms. AishwaryaPatwardhan, our Company Secretary and Compliance Officer, is the secretary to Stakeholders Relationship Committee.

The scope and function of the Shareholders Relationship Committee and its terms of reference shall include the following:

- A. **Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
  - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.
  - attending to requests from the shareholders for demat/ remat of shares.
  - Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
  - considering and resolving grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends.
  - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
  - Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Probation of insider Trading) Regulations, 1992 as amended from time to time.
  - Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting.
  - Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

#### 4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of our Board was constituted by our Directors by a Board resolution dated December 14, 2017 pursuant to Section 135 of the Companies Act and any other applicable provisions. The Corporate Social Responsibility Committee is constituted with the following directors:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Vijay Gupta	Chairman	Managing Director
Mrs. Priti Gupta	Member	Whole-time Director
Mr. Rahul Gupta	Member	Non-Executive Independent Director

The scope and function of the Corporate Social Responsibility Committee and the terms of reference are in accordance with Section 135 of the Companies Act.

#### 5. IPO Committee

The IPO Committee of our Board was constituted by our Directors by a Board resolution dated December 14, 2017. The IPO Committee is constituted with the following directors:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Vijay Gupta	Chairman	Managing Director
Mrs. Priti Gupta	Member	Whole-time Director
Mr. Rahul Gupta	Member	Non-Executive Independent Director

The scope and function of the IPO Committee and its terms of reference shall include the following:

- to decide on the actual size of the Issue, including any reservation shareholders of promoting companies or shareholders of group companies and/or any other reservations or firm allotments as may be permitted, timing, pricing and all the terms and conditions of the Issue of the shares, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- to get connectivity with NSDL, CDSL and other Depositories in India for dematerialisation of shares and other Securities of the Company;
- to appoint and enter into arrangements with the Book Running Lead Manager, Co-Managers to the Issue, Underwriters to the Issue, Registrar & Share Transfer Agent, Syndicate Members to the Issue, Advisors to the Issue, Stabilizing Agent, Brokers to the Issue, Escrow Collection Bankers to the Issue, Registrars, Legal Advisors to the Issue, Legal Advisors to our Company, Legal Advisors as to Indian and overseas jurisdictions, advertising and/or promotion or public relations agencies and any other agencies or persons;
- to finalize and settle and to execute and deliver or arrange the delivery of the offering documents (the Draft Red Herring Prospectus, the Red Herring Prospectus, Final Prospectus for marketing of the Issue in jurisdictions outside India), syndicate agreement, underwriting agreement, escrow agreement, stabilization agreement and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the Issue of shares or the Issue by our Company;
- to open one or more separate current account(s) in such name and style as may be decided, with a scheduled bank to receive applications along with application monies in respect of the Issue of the shares of our Company;
- to open one or more bank account of our Company such name and style as may be decided for the handling of refunds for the Issue;
- to make any applications to the RBI, FIPB and such other authorities, as may be required, for the purpose of Issue of shares by our Company to non-resident investors including but not limited to NRIs, FIIs, FVCI's and other non-residents;
- to make applications for listing of the equity shares of our Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- to settle all questions, difficulties or doubts that may arise in regard to the Issue or allotment of shares as it may, in its absolute discretion deem fit; and
- to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, or otherwise in relation to the Issue or any matter incidental or ancillary in relation to the Issue, including without limitation, allocation and allotment of the shares as permissible in law, issue of share certificates in accordance with the relevant rules.

#### **Policy on disclosure 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 EMERGE Platform of National Stock Exchange of India. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on EMERGE Platform of National Stock Exchange of India. Further, Board of Directors at their meeting held on March3, 2018 have approved and adopted the policy on insider trading in view of the proposed public issue.

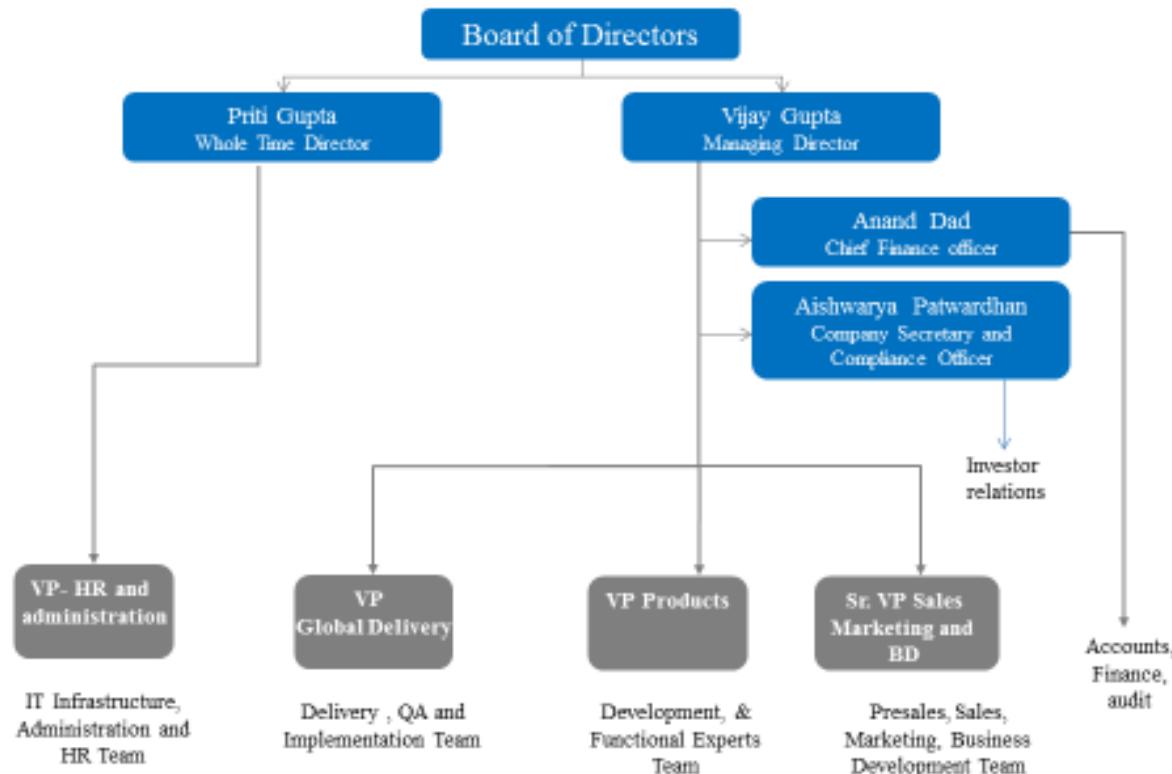
Ms. Aishwarya Patwardhan, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

**Policy for determination of materiality of events for disclosure to the stock exchanges:**

The provisions of the Listing Regulations will be applicable to our Company immediately upon the listing of Equity Shares of our Company on EMERGE Platform of National Stock Exchange of India. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the EMERGE Platform of National Stock Exchange of India. The Board of Directors at their meeting held on March 3, 2018 have approved and adopted the policy for determination of materiality events for disclosure to the stock exchanges.

## Management Organizational Structure

### SoftTech Engineers Limited: Organization Structure



## **Profiles of our Key Managerial Personnel**

The details of the Key Managerial Personnel as on the date of this Red Herring Prospectus are set out below.

### **Mr. Vijay Gupta**

Mr. Vijay Gupta is the Chairman and Managing Director of our Company. For further details, in relation to Mr. Vijay Gupta, please see "Our Management – Brief Biographies of the Directors" beginning on page 184

### **Mrs. Priti Gupta**

Mrs. Priti Gupta is the Whole-time Director of our Company. For further details, in relation to Mrs. Priti Gupta, please see "Our Management – Brief Biographies of the Directors" beginning on page 184

### **Mr. Anand Dad**

Mr. Anand Dad, is the Chief Financial Officer of our Company and has been associated with our Company since February 1, 2018. He is an associate member of the Institute of Chartered Accountants of India (ICAI). Since he joined our Company with effect from February 1, 2018, he has not drawn any remuneration for the financial year 2016-2017.

### **Ms. Aishwarya Patwardhan**

Ms. Aishwarya Patwardhan, is the Company Secretary of our Company and has been associated with our Company since March 3, 2018. She is a member of the Institute of Company Secretary of India (ICSI) and also holds a bachelor's degree in commerce from Savitribai Phule Pune University. She has been newly appointed as company secretary and looks after all the legal and secretarial work of the company. Since she joined our Company with effect from March 3, 2018, she has not drawn any remuneration for the financial year 2016-2017.

## **Status of Key Management Personnel in our Company**

All our key managerial personnel are permanent employees of our Company.

## **Shareholding of Key Management Personnel in our Company**

Except as disclosed below, none of the Key Management Personnel holds Equity Shares in our Company as on the date of this Red Herring Prospectus.

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>No. of Equity Shares</b>	<b>Percentage of Pre-Offer Capital (%)</b>
1.	Vijay Gupta	36,81,234	52.21
2	Priti Gupta	33,090	0.47

## **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**

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration and their shareholding in the company 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.

### **Payment of Benefits to Officers of our Company (*non-salary related*)**

Except as disclosed in the heading titled "Annexure"- 29 Restated statement of *Related Party Transactions*" in the section titled "*Restated Financial Statements*" beginning on page 212 of this Red Herring Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

Except as disclosed in this Red Herring 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.

Except as stated under section titled "*Financial Information*" beginning on page 212 of this Red Herring Prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoter.

### **Retirement Benefits**

Except as provided for in the terms of appointment, our Company does not provide any specific retirement benefits.

### **Relationship amongst the Key Managerial Personnel of our Company**

Except as disclosed as disclosed below, there is no family relationship amongst the Key Managerial Personnel of our Company.

<b>Name of Key Managerial personnel</b>	<b>Relationship</b>
Mr. Vijay Gupta	Husband of Mrs. Priti Gupta
Mr. Priti Gupta	Wife of Mr. Vijay Gupta

### **Appointment of relatives of Directors to any office or place of profit**

Other than as disclosed above under "*Our Management - Relationship amongst the Key Managerial Personnel*" on page 184, none of the relatives of our Directors currently hold any office or place of profit in our Company.

### **Relationship between the Directors and Key Managerial Personnel**

Except as disclosed in chapter titled "*Our Management – Nature of any family relationship between our*

*Directors*" beginning on page 184 of this Red Herring Prospectus, there are no family relationships between the Directors and Key Managerial Personnel of our Company.

#### **Arrangement and Understanding with Major Shareholders/Customers/ Suppliers**

None of the above 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**

As of the date of this Red Herring Prospectus, our Company has granted 35,116 stock options to 17 eligible employees under the SoftTech ESOP 2017. For more details on the SoftTech ESOP 2017 and the options granted by our Company, please refer to the chapter titled "Capital Structure" beginning on page 75 of this Red Herring Prospectus.

#### **Loans availed by Directors / Key Managerial Personnel of our Company**

None of the Directors or Key Managerial Personnel's have availed loan from our Company which is outstanding as on the date of this Red Herring Prospectus.

#### **Contingent or Deferred Compensation**

None of our Key Managerial Personnel have received or are entitled to any contingent or deferred compensation.

#### **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:

Sr. No.	Name of the Key Managerial Personnel & Designation	Date of Appointment/ Reason Resignation	
1.	Mr. Raja Bhaskar Goru	December 11, 2014	Appointed as a Chief Financial Officer
		May 7, 2016	Resignation as a Chief Financial Officer
2.	Mr. Anand Dad	February 1, 2018	Appointment as a Chief Financial Officer
3.	Ms. Aishwarya Patwardhan	March 3, 2018	Appointment as a Company Secretary & Compliance Officer

<b>Sr. No.</b>	<b>Name of the Key Managerial Personnel &amp; Designation</b>	<b>Date of Appointment/ Resignation</b>	<b>Reason</b>
4.	Mr. Vijay Gupta	February 24, 2015	Appointment as Managing Director
5.	Mrs. Priti Gupta	February 24, 2015	Appointment as Whole-time Director

## **OUR PROMOTERS AND PROMOTER GROUP**

### **OUR PROMOTERS**

Mr. Vijay Gupta is the sole Promoter of our Company as on the date of this Red Herring Prospectus, our Promoter holds 36,81,234 Equity Shares in aggregate, which is equivalent to 52.21% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company.

**The brief profile of our individual Promoter is as under:**



#### **Mr. Vijay Gupta, Promoter, Chairman and Managing Director**

Mr. Vijay Gupta, aged 55 years, is the sole Promoter, Chairman and the Managing Director of our Company. He is an Indian national and first Director of our Company. He holds a Master's degree in Technology in the stream of Civil Engineering from the Indian Institute of Technology, Mumbai (IIT, Bombay). He started his career as a Research Associate and worked with CAD/CAM divisions of Crompton Greaves Limited for 3.5 years and Godrej & Boyce Limited for 1.5 years.. Mr. Gupta is a first generation entrepreneur and has an experience of over 25 years in development of complex BIM/CAD/CAE/Project Management enterprise software in Architecture-Engineering-Construction domain. He has been associated with our Company since incorporation and was reappointed as the Managing Director of our Company with effect from February 24, 2015 for a period of 5 years. He has been the architect and driving force behind building path breaking innovative software products of our Company and has contributed immensely towards the overall growth and success of our Company. These made in India technology products has been contributing significantly in accelerating the Indian Government's vision of improving Ease of Doing Business in India in construction permits and are strong tools for approvals and monitoring of buildings and infrastructures in smart cities.

**Nationality:** Indian

**PAN:** AAVPG7790G

**Passport No:** N5557299

**Driving License:** MH12-20130026377

**Voters Id:** GWT3545126

**Address:** B1-503, Gagan Vihar Co-op Housing Society, Near Market Yard,Bibvewadi Kondhwa Road, Pune – 411037, Maharashtra, India.

For further details including profile of the promoters, please refer to chapter titled "*Our Management*" beginning on page 184 of this Red Herring Prospectus.

### **Declaration**

Our Company confirms that the permanent account number, bank account number and passport number of our Promoter will be submitted to the Stock Exchange at the time of filing of this Red Herring Prospectus with it.

### **Interest of our Promoter**

Our Promoter is interested in our Company to the extent that he has promoted our Company and to the

extent of his shareholding and the dividend receivable, if any, and other distributions in respect of the Equity Shares held by him. For details regarding shareholding of our Promoter in our Company, please refer to the chapter titled "*Capital Structure*" beginning on page 75 of this Red Herring Prospectus.

Our Promoter who is also the Chairman and Managing Director of the Company may be deemed to be interested to the extent of remuneration, reimbursement of expenses payable to him for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any, and the AoA of our Company.

Except as stated in this chapter titled "*Our Promoters and Promoter Group*", our Promoter does not have any interest in the promotion of our Company.

Our Promoter may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any other Company in which he holds Directorships as declared in their respective declarations.

Save and except as disclosed elsewhere in the Red Herring Prospectus, our Promoter does not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing this Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoter is not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoter 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.

Other than as disclosed in our Financial Statements as Restated, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus. For details of related party transactions entered into by our Company during last financial year with our Promoter and Promoter Group Company, the nature of transactions and the cumulative value of transactions, please refer to the chapter titled "*Related Party Transactions*" beginning on page 210 of this Red Herring Prospectus.

Except as given in the chapters titled "*Financial Statement as Restated*" and "*Related Party Transactions*" beginning on pages 212 and 210 of this Red Herring Prospectus, our Promoter does not have any other interest in our Company.

### **Other Ventures of our Promoter**

Save and except as disclosed in the chapter titled, "*Our Promoter and Our Promoter Group*" and "*Our Group Companies*" beginning on page 205 and 209 respectively of this Red Herring Prospectus, there are no ventures promoted by our Promoter in which he has any business interests/ other interests.

### **Related Party Transactions**

For details of related party transactions entered by our Promoter, members of our Promoter Group and our Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer to the chapter titled "*Related Party Transactions*" beginning on page 210 of this Red Herring Prospectus.

### **Payment of benefits to our Promoter**

Except as stated in the chapter titled “*Related Party Transactions*” and “*Our Management*” beginning on pages 210 and 184 respectively, there has been no payment of benefits to our Promoter during the two years preceding the date of filing of this Red Herring Prospectus.

### **Companies with which our Promoter has disassociated in the last three years**

Our Promoter has not disassociated himself from any company or firm during the three years preceding the date of filing of this Red Herring Prospectus.

### **Changes in Control**

Except as stated in the chapter titled “*Our Management -Changes in our Company’s Board of Directors during the last three (3) years and Changes in our Company’s Key Managerial Personnel during the last three (3) years*” beginning on page 184 of this Red Herring Prospectus, there has been no change in the management or control of our Company in the last three years.

## **OUR PROMOTER GROUP**

Our Promoter Group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations is as under:

### **A. Individuals who are immediate relatives of our Promoter:**

<b>Relationship with Promoter</b>	<b>Vijay Gupta</b>
Father	Late Shantiswarup Gupta
Mother	Late Omwati Gupta
Brother	Pawan Gupta Ajay Gupta Ritesh Gupta Vinod Singhal Rajesh Agarwal Anil Singhal Pramod Gupta
Sister	Prena Agarwal Lalita Garg Snehlata Gupta Savita Singhal
Spouse	Priti Gupta
Son	Chirag Gupta
Daughter	N.A.
Spouse’s Father	Harikisan Boiaramji Agrawal
Spouse’s Mother	Saroj Agrawal
Spouse’s Brother	Rajesh Agrawal
Spouse’s Sister	N.A.

### **Entities and Body Corporate forming part of our Promoter Group:**

The entities and body corporate forming part of the Promoter Group are as follows:

1. CoVisible Solutions India Private Limited
2. Vijay Gupta HUF
3. Ajay Gupta HUF
4. M/s. Crystal Infra
5. Shree Rajashree Sales Private Limited

6. Ritesh Gupta HUF
7. Sugun Enterprises
8. A M Decorators
9. D.P. Singhal HUF
10. Ramkumar Agarwal HUF
11. Agarwal Education Centre

#### **Other Natural Persons forming part of our Promoter Group:**

There are no other natural persons forming part of our Promoter Group as on the date of filing this Red Herring Prospectus.

#### **Relationship of Promoter with our Directors**

Except as disclosed herein, our Promoter is not related to any of our Company's Directors within the meaning of Section 2(77) of the Companies Act, 2013.

<b>Promoters</b>	<b>Directors</b>	<b>Relationship</b>
Vijay Gupta	Priti Gupta	Husband of Priti Gupta

#### **Litigation involving our Promoter**

For details of legal and regulatory proceedings involving our Promoter, please refer to the chapter titled "*Outstanding Litigation and Material Developments*" on page 238 of this Red Herring Prospectus.

#### **Confirmations**

Our Company, our Promoter and his relatives (as defined under Companies Act, 2013) have not been identified as wilful defaulters in terms of the SEBI (ICDR) Regulations. Further, there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against him.

Our Promoter and Promoter Group entities have not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoter is not and has never been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in this Red Herring Prospectus, our Promoter is not interested in any entity which holds any intellectual property rights that are used by our Company.

## **OUR GROUP COMPANIES**

Under the SEBI (ICDR) Regulations, Group Companies of our Company include such companies which are covered under applicable accounting standards i.e. Accounting Standard 18 as notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and such other companies as are considered material by our Board. Further, pursuant to a resolution passed by our Board at its meeting held on March 3, 2018, for the purpose of disclosure in this Red Herring Prospectus, the Red Herring Prospectus and the Prospectus for the Offer, a company shall be considered material and disclosed as a ‘Group Company’ if (i) the shareholding of such company in our Company is more than 20% of the paid up Equity Capital of our Company, as the case may be; and (ii) the monetary value of our Company’s transactions with such company exceeds 10% of the total revenue of our Company as per the audited financial statement of our Company for the F.Y. 2016-2017.

As on the date of filing this Red Herring Prospectus, there are no companies which are considered as material group companies for the purpose of disclosure in this Red Herring Prospectus.

## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to *Annexure 29* of restated financial statement under the section titled, “*Financial Statements*” beginning on page 212 of this Red Herring Prospectus.

## **DIVIDEND POLICY**

Our Company does not have a formal dividend policy. The declaration and payment of dividends will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the results of operations, financial condition, capital requirements and surplus, applicable legal restrictions, and other factors considered by the Board.

The declaration of the dividend will however always be at the sole discretion of the Board (subject to the approval by the Shareholders of the Company) who will review this policy periodically keeping in mind the business environment and requirements of the Company. For details of risks in relation to our capability to pay dividend, please refer to our Chapter titled "*Risk Factors*" beginning on page 22.

For details on dividend paid by our Company on Equity Shares and Preference Shares in the last financial years, please refer '*Annexure 28 – Statement of dividend declared*' of the chapter titled "*Financial Statement as Restated*".

## **SECTION V. FINANCIAL INFORMATION**

### **FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>Page No.</b>
Restated Financial Statements	F1-F35

# Walker Chandiok & Co LLP

**Walker Chandiok & Co LLP**  
 (Formerly Walker, Chandiok & Co)  
 3rd Floor, Unit No 309 to 312  
 West Wing, Nyati Unitree  
 Nagar Road, Yerwada  
 Pune 411006 India

**Auditors' Report on Restated Financial Information in connection with the proposed issue of equity shares of SoftTech Engineers Limited**

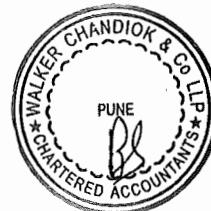
T +91 20 6744 8800  
 F +91 20 6744 8899

To  
**The Board of Directors**  
**SoftTech Engineers Limited**  
 Unit 5A, The Pentagon, Near Pune-Satara Road,  
 Telephone Exchange, Shahu College Road,  
 Pune – 411009.

Dear Sirs,

1. We have examined the attached Restated Financial Information of SoftTech Engineers Limited (the "Company"), which comprise of the Restated Summary Statement of Assets and Liabilities as at 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013, the Restated Summary Statement of Profit and Loss, the Restated Statement of Cash Flows (collectively referred as "Restated Financial Information") and other financial information (as described more in detail in paragraph 6 below, referred as "Other Financial Information") for the years then ended, as approved by the Board of Directors of the Company, prepared by the Company's management in terms of the requirements of:
  - (a) Section 26(1)(b) of the Companies Act, 2013 (the "Act") read with Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules") and
  - (b) 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 (the "ICDR Regulations").

The preparation of the Restated Financial Information including the interim financial information (mentioned in paragraph 4 below) and Other Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information and Other Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations.



# Walker Chandiok & Co LLP

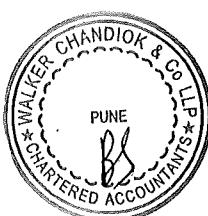
2. We have examined such Restated Financial Information taking into consideration:
  - (a) the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 22 March 2018 in connection with the proposed issue of equity shares of the Company; and
  - (b) the Guidance Note on Reports in Company Prospectuses (Revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI").
3. These Restated Financial Information and Other Financial Information, expressed in Indian Rupees, have been compiled by the Company's management from the audited financial statements as at and for the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 which have been approved by the Board of Directors at their meetings held on 21 August 2017, 21 September 2016, 5 June 2015, 17 July 2014 and 25 September 2013 respectively.

Audit for the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013 was conducted by other auditors, M/s P.G. Bhagwat (Firm Registration Number: 101118W), whose reports expressed unmodified opinion on those financial statements. We have accordingly relied upon the audited financial statements for the said years audited by other auditors, M/s P.G. Bhagwat for examining the Restated Financial Information.

4. We have also examined the financial information of the Company for the period 1 April 2017 to 31 October 2017, prepared and approved by the Board of Directors for the purpose of disclosure in the Red Herring Prospectus (RHP) of the Company. Audit for the period ended 31 October 2017 was conducted by us and our report expressed an unmodified opinion on those financial statements.

Based on the above, we report that in our opinion and according to the information and explanations given to us, the above interim financial information is in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable and the interim financial information are presented with the Restated Financial Information appropriately.

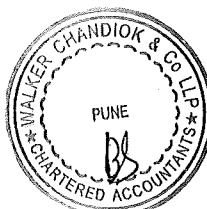
5. In accordance with the requirements of Section 26(1)(b) of the Act read with Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations, the Guidance Note and the terms of our engagement agreed with you, we report that:
  - a. The Restated Summary Statement of Assets and Liabilities of the Company as at 31 October 2017, 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 examined by us, as set out in Annexure 1 to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in note K of Annexure 4, Statement of Notes to Restated Financial Information;
  - b. The Restated Summary Statement of Profit and Loss of the Company for the period 1 April 2017 to 31 October 2017 and years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 examined by us, as set out in Annexure 2 to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in note K of Annexure 4, Statement of Notes to Restated Financial Information;



- c. The Restated Statement of Cash Flows of the Company for the period 1 April 2017 to 31 October 2017 and years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 examined by us, as set out in Annexure 3 to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in note K of Annexure 4, Statement of Notes to Restated Financial Information;
  - d. Based on the above and according to the information and explanations given to us, we further report that the Restated Financial Information:
    - i. 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;
    - ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
    - iii. do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.
6. We have also examined the following ‘Other Financial Information’ of the Company set out in Annexures stated below, prepared by the Company’s management and approved by the Board of Directors, for the period 1 April 2017 to 31 October 2017 and years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013.
- i. Restated Statement of Accounting and other ratios, as Annexure 27;
  - ii. Restated Statement of Dividend declared, as Annexure 28;
  - iii. Restated Statement of Related party disclosures, as Annexure 29;
  - iv. Restated Statement of tax shelter, as Annexure 30;
  - v. Restated Statement of Capitalisation as at 31 October 2017, as Annexure 31.

According to the information and explanations given to us, in our opinion, the Restated Financial Information and Other Financial Information contained in Annexures 1 to 31 accompanying this report read with Statement of Notes to Restated Financial Information in Annexure 4, are prepared after making adjustments and regrouping/reclassifications as considered appropriate and have been prepared in accordance with Section 26(1)(b) of the Act, ICDR Regulations and the Guidance Note.

7. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by other auditors or by us nor should it be construed as a new opinion on any of the financial statements referred to therein.



# Walker Chandiok & Co LLP

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. Our report is intended solely for use of the Company's management in connection with the proposed issue of equity shares of the Company. Our report should not be used for any other purpose except with our prior consent in writing.

*Walker Chandiok & Co LLP*

For **Walker Chandiok & Co LLP**

Chartered Accountants

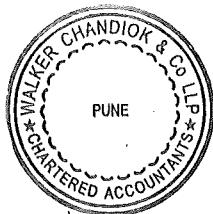
Firm Registration No.: 001076N/N500013

*(B)Shetty*

per **Bharat Shetty**

Partner

Membership No.: 106815



Place: Pune

Date: 12 April 2018

SoftTech Engineers Limited

(Amount in ₹ lakhs)

Annexure 1: Restated Summary Statement of Assets and Liabilities

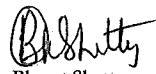
Particulars	Annexure	As at 31 October 2017	As at 31 March				
			2017	2016	2015	2014	2013
<b>Equity and liabilities</b>							
<b>Shareholders' funds</b>							
Share capital	5	352.56	352.56	352.56	344.35	301.30	249.66
Reserves and surplus	6	2,947.69	2,730.36	2,134.86	1,780.82	1,141.30	377.31
		<b>3,300.25</b>	<b>3,082.92</b>	<b>2,487.42</b>	<b>2,125.17</b>	<b>1,442.60</b>	<b>626.97</b>
<b>Non-current liabilities</b>							
Long-term borrowings	7	790.87	883.59	1,119.65	725.20	968.56	810.94
Deferred tax liabilities (net)	8	-	-	-	14.54	29.68	27.54
Other long-term liabilities	9	1.00	1.00	0.50	0.50	0.51	0.51
Long-term provisions	10	45.41	40.08	32.07	27.70	13.72	11.77
		<b>837.28</b>	<b>924.67</b>	<b>1,152.22</b>	<b>767.94</b>	<b>1,012.47</b>	<b>850.76</b>
<b>Current liabilities</b>							
Short-term borrowings	7	621.39	426.84	342.70	148.10	233.22	107.15
Trade payables	11	-	-	-	-	-	-
- total outstanding dues of micro and small enterprises							
- total outstanding dues other than micro and small enterprises		859.78	562.00	846.99	446.58	250.61	77.77
Other current liabilities	12	1,005.50	1,020.75	801.59	459.19	458.06	340.91
Short-term provisions	10	19.38	36.49	105.12	61.36	32.99	9.31
		<b>2,506.05</b>	<b>2,046.08</b>	<b>2,096.40</b>	<b>1,115.23</b>	<b>974.88</b>	<b>535.14</b>
<b>Total</b>		<b>6,643.58</b>	<b>6,053.67</b>	<b>5,736.04</b>	<b>4,008.34</b>	<b>3,429.95</b>	<b>2,012.87</b>
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	13	127.89	179.57	257.32	331.91	249.33	190.05
Intangible assets	14	571.12	739.10	574.87	682.07	414.03	381.84
Capital work-in-progress		506.91	230.44	368.25	129.21	212.35	239.89
Non-current investments	15	3.80	3.80	3.80	32.45	32.45	32.45
Deferred tax assets (net)	8	59.02	44.48	13.44	-	-	-
Long-term loans and advances	16	148.42	183.22	93.20	61.36	54.53	82.05
Other non-current assets	17	548.28	666.88	636.69	428.11	162.55	27.99
		<b>1,965.44</b>	<b>2,047.49</b>	<b>1,947.57</b>	<b>1,665.11</b>	<b>1,125.24</b>	<b>954.27</b>
<b>Current assets</b>							
Trade receivables	18	2,490.38	1,745.64	2,218.74	1,844.88	1,438.22	700.96
Cash and bank balances	19	20.70	325.94	134.09	23.84	533.23	113.14
Short-term loans and advances	16	188.13	169.90	116.73	62.81	28.93	41.32
Other current assets	20	1,978.93	1,764.70	1,318.91	411.70	304.33	203.18
		<b>4,678.14</b>	<b>4,006.18</b>	<b>3,788.47</b>	<b>2,343.23</b>	<b>2,304.71</b>	<b>1,058.60</b>
<b>Total</b>		<b>6,643.58</b>	<b>6,053.67</b>	<b>5,736.04</b>	<b>4,008.34</b>	<b>3,429.95</b>	<b>2,012.87</b>

Note:

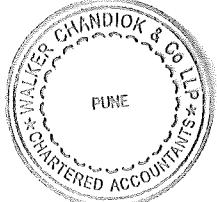
The above statement should be read with the Statement of Notes to Restated Financial Information in Annexure 4.

As per our report of even date attached.

For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

  
Bharat Shetty  
Partner

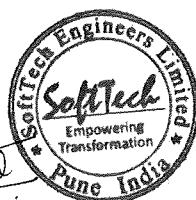
Place : Pune  
Date : 12 April 2018



For and on behalf of the Board of Directors

  
Vijay Gupta  
Managing Director  
(DIN No. 1653314)

Place : Pune  
Date : 11 April 2018



  
Priti Gupta  
Director  
(DIN No. 1735673)

SoftTech Engineers Limited

Annexure 2: Restated Summary Statement of Profit and Loss

(Amount in ₹ lakhs)

Particulars	Annexure	1 April 2017 to 31 October 2017	For the year ended 31 March				
			2017	2016	2015	2014	2013
<b>Revenue</b>							
Revenue from operations	21	2,348.17	4,671.83	4,398.98	3,525.45	2,561.91	2,126.64
Other income	22	26.91	39.80	33.55	68.91	5.69	68.99
<b>Total revenue</b>		<b>2,375.08</b>	<b>4,711.63</b>	<b>4,432.53</b>	<b>3,594.36</b>	<b>2,567.60</b>	<b>2,195.63</b>
<b>Expenses</b>							
Cost of materials consumed		2.30	9.35	4.75	4.85	2.61	4.54
Purchase of stock-in-trade		232.46	714.23	1,364.89	1,156.53	544.36	1,237.27
Employee benefits expense	23	484.81	808.80	582.56	331.37	306.29	266.37
Finance costs	24	136.91	237.32	199.99	142.67	156.08	86.85
Depreciation and amortisation expense	25	225.15	373.65	362.11	302.98	238.52	123.33
Other expenses	26	925.19	1,717.90	1,368.48	1,307.45	964.41	345.94
<b>Total expenses</b>		<b>2,006.82</b>	<b>3,861.25</b>	<b>3,882.78</b>	<b>3,245.85</b>	<b>2,212.27</b>	<b>2,064.30</b>
<b>Profit before tax</b>		<b>368.26</b>	<b>850.38</b>	<b>549.75</b>	<b>348.51</b>	<b>355.33</b>	<b>131.33</b>
<b>Tax expense</b>							
Current tax		123.03	264.70	196.84	151.36	99.05	29.92
Deferred tax (credit)/charge		(14.54)	(31.04)	(27.98)	(15.14)	2.14	3.59
<b>Profit for the period / year</b>		<b>259.77</b>	<b>616.72</b>	<b>380.89</b>	<b>212.29</b>	<b>254.14</b>	<b>97.82</b>

Note:

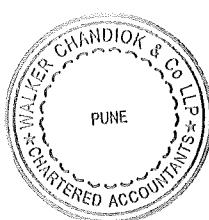
The above statement should be read with the Statement of Notes to Restated Financial Information of the Company in Annexure 4.

As per our report of even date attached.

For Walker Chandiol & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

Bharat Shetty  
Partner

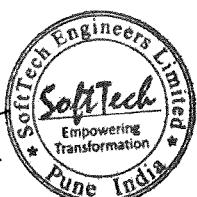
Place : Pune  
Date : 12 April 2018



For and on behalf of the Board of Directors

Vijay Gupta  
Managing Director  
(DIN No. 1653314)

Place : Pune  
Date : 11 April 2018



Priti Gupta  
Director  
(DIN No. 1735673)

Place : Pune  
Date : 11 April 2018

SoftTech Engineers Limited

Annexure 3: Restated Summary Statement of Cash Flows

(Amount in ₹ lakhs)

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
<b>A. Cash flow from operating activities</b>						
Profit before tax, as restated	368.26	850.38	549.75	348.51	355.33	131.33
Adjustments for :						
Depreciation and amortisation expense	225.15	373.65	362.11	302.98	238.52	123.33
Unrealised loss / (gain) on foreign currency transactions and translations (net)	1.05	2.30	-	(3.25)	3.65	(2.93)
Finance costs	127.88	236.35	192.20	142.04	154.95	86.85
Bad debts written off	-	3.32	26.16	109.35	32.44	60.59
Investments written off	-	-	28.65	-	-	-
Credit balances written back	-	(6.52)	-	(16.75)	(1.37)	(58.30)
Provision for doubtful debts	-	0.68	2.28	57.86	-	-
Dividend income	-	(0.50)	-	(0.03)	(0.03)	(0.05)
Interest income on deposits	(19.64)	(30.77)	(19.25)	(35.79)	(4.22)	(6.53)
<b>Operating profit before working capital changes</b>	<b>702.70</b>	<b>1,428.89</b>	<b>1,141.90</b>	<b>904.92</b>	<b>779.27</b>	<b>334.29</b>
<b>Changes in working capital:</b>						
Increase / (decrease) in trade payables, liabilities and provisions	285.01	(91.70)	556.70	239.87	296.03	(179.73)
(Increase) / decrease in trade receivables	(745.79)	466.80	(402.30)	(570.64)	(773.35)	82.72
Decrease / (Increase) in loans and advances and other assets	(31.95)	(526.95)	(1,153.31)	(238.01)	(56.51)	(151.87)
<b>Cash generated from operations</b>	<b>209.97</b>	<b>1,277.04</b>	<b>142.99</b>	<b>336.14</b>	<b>245.44</b>	<b>85.41</b>
Less : Income taxes paid	(147.87)	(333.83)	(190.73)	(118.95)	(77.67)	(32.78)
<b>Net cash generated from/ (utilised in) operating activities (A)</b>	<b>62.10</b>	<b>943.21</b>	<b>(47.74)</b>	<b>217.19</b>	<b>167.77</b>	<b>52.63</b>
<b>B. Cash flow from investing activities</b>						
Purchase of property, plant and equipment, intangible assets and capital work in progress	(281.96)	(322.33)	(419.36)	(585.58)	(302.45)	(303.13)
Fixed deposits (placed)/ realised including movement in balance in	103.21	(190.44)	(18.29)	(161.93)	(136.74)	33.83
Interest received	1.86	1.62	16.76	22.10	1.67	25.94
Dividend received	-	0.50	-	0.03	0.03	0.05
<b>Net cash utilised in investing activities (B)</b>	<b>(176.89)</b>	<b>(510.65)</b>	<b>(420.89)</b>	<b>(725.38)</b>	<b>(437.49)</b>	<b>(243.31)</b>
<b>C. Cash flow from financing activities</b>						
Repayment of long-term borrowings	(312.63)	(491.65)	(268.89)	(234.49)	(241.92)	(148.79)
Proceeds from long-term borrowings	227.00	300.00	871.57	-	400.35	383.08
Dividend paid (including dividend distribution tax paid)	(42.44)	(21.22)	(18.64)	(14.61)	(14.51)	(14.51)
Proceeds from / (repayment of) short-term borrowings (net)	194.55	84.14	194.60	(85.12)	126.07	(94.75)
Interest paid	(129.72)	(239.36)	(199.76)	(166.99)	(156.18)	(74.96)
Proceeds from issuance of shares	-	-	-	500.01	576.00	-
<b>Net cash generated from/ (utilised in) financing activities (C)</b>	<b>(63.24)</b>	<b>(368.09)</b>	<b>578.88</b>	<b>(1.20)</b>	<b>689.81</b>	<b>50.07</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(178.03)</b>	<b>64.47</b>	<b>110.25</b>	<b>(509.39)</b>	<b>420.09</b>	<b>(140.61)</b>
Cash and cash equivalents at the beginning of the period/ year	198.56	134.09	23.84	533.23	113.14	253.75
<b>Cash and cash equivalents at the end of the period/ year</b>	<b>20.53</b>	<b>198.56</b>	<b>134.09</b>	<b>23.84</b>	<b>533.23</b>	<b>113.14</b>
<b>Cash and cash equivalents comprise:</b>						
Cash on hand	11.50	7.95	8.52	1.79	1.34	3.42
Balances with banks in current accounts	9.03	190.61	125.57	22.05	531.89	109.72
<b>Total</b>	<b>20.53</b>	<b>198.56</b>	<b>134.09</b>	<b>23.84</b>	<b>533.23</b>	<b>113.14</b>

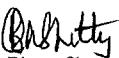
Note:

The above statement should be read with the Statement of Notes to Restated Financial Information of the Company in Annexure 4.

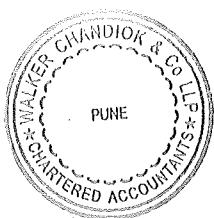
The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013.

As per our report of even date attached

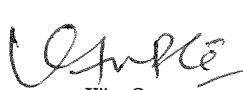
For Walker Chandiok & Co LLP  
Chartered Accountants

  
Bharat Shetty  
Partner

Place: Pune  
Date: 12 April 2018



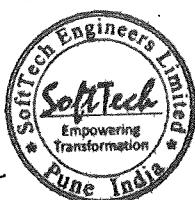
For and on behalf of the Board of Directors

  
Vijay Gupta  
Managing Director  
(DIN No. 1653314)

  
Priti Gupta  
Director  
(DIN No. 1735673)

Place: Pune  
Date: 11 April 2018

Place: Pune  
Date: 11 April 2018



**SoftTech Engineers Limited**

**Annexure 4: Statement of Notes to Restated Financial Information**

**A. Background of the Company**

SoftTech Engineers Private Limited (the "Company") was founded in 1996 and is based out of Pune. The Company was converted from private limited to public limited company and consequently, has changed its name from "SoftTech Engineers Private Limited" to "SoftTech Engineers Limited", the same being registered with Registrar of Companies on 1 March 2018.

The Company is an information technology and software services organisation, delivering end to end solution in Architectural-Engineering-Construction (AEC) space, catering to property developers, investors, real estate companies, contractors, architects and consultants.

**B. Summary of significant accounting policies**

**a) Basis of preparation of financial statements**

The Restated Summary Statement of Assets and Liabilities of the Company as at 31 October 2017, 31 March 2017, 2016, 2015, 2014 and 2013, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the period/ years ended 31 October 2017, 31 March 2017, 2016, 2015, 2014 and 2013 and the annexures thereto (herein collectively referred to as 'Restated Financial Information') have been compiled by the management of the Company from the then audited financial statements of the Company for the period/ years ended 31 October 2017, 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 and have been prepared specifically for the purpose of inclusion in the Offer Document to be filed by the Company with the SME portal of National Stock Exchange of India Limited ('NSE').

These aforementioned audited financial statements were prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis. These audited financial statements have been prepared to comply in all material aspects with the Accounting Standards prescribed by the Central Government, Section 133 of the Companies Act, 2013 (the "Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Act/ Companies Act, 1956, as applicable.

The Restated Financial Information have been prepared to comply in all material aspects with the requirements of Section 26(1)(b) of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time).

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of products/services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The aforementioned Restated Financial Information have been prepared in Indian Rupee (INR).

**b) Use of estimates**

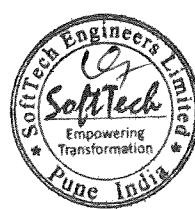
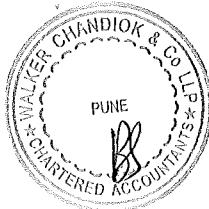
The preparation of financial statements in conformity with GAAP requires that the management of the Company make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the respective financial statements. Examples of such estimates include the useful lives of property, plant and equipment and intangible assets, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

**c) Depreciation**

The Company provides pro-rata depreciation on additions and disposals made during the year.

Prior to 1 April 2014, depreciation on property, plant and equipment has been provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except in case of service cell system which was depreciated at the rate of 20 percent on straight line method.

With effect from 1 April 2014, pursuant to the notification of Schedule II to the Companies Act, 2013, depreciation on property, plant and equipment is provided under the straight line method over the useful lives of assets as prescribed under Part C of Schedule II to the Companies Act, 2013, except in case of service cell system which is depreciated on a useful life of 5 years on straight line method based on internal technical evaluation done by the management.



**SoftTech Engineers Limited**

**Annexure 4: Statement of Notes to Restated Financial Information**

**d) Revenue recognition**

- i) Revenue from services is recognised when the provision of services is complete and there is either no unfulfilled obligations on the Company or unfulfilled obligations are inconsequential or perfunctory and will not affect the customer's final acceptance of the services.
- ii) Revenue from fixed price contracts are recognised based on the milestones achieved as specified in the contracts and for interim stages, until the next milestone is achieved, on the basis of proportionate completion method. Provisions for future estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current estimates.
- iii) Revenue from annual technical service contracts is recognised on a pro-rata basis over the period in which such services are rendered.
- iv) Revenue from sale of traded software licenses is recognised on delivery to the customer.
- v) Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of cost and earnings are classified as unearned revenue.
- vi) Dividend income is recognised when the right to receive the dividend is established.
- vii) Interest income is recognised on time proportion basis.

**e) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment (if any). The cost of a property, plant and equipment comprises its purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The cost of internally generated computer software developed for providing services by integrating it with computer system is recognised as tangible asset. The cost of computer and computer software for providing such services are grouped as 'Service Cell System'.

**f) Foreign currency transactions**

The reporting currency of the Company is Indian Rupee.

- i) Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rates prevailing at the date of the transaction.
- ii) Monetary assets and monetary liabilities denominated in foreign currencies are converted at rate of exchange prevailing on the date of the Balance Sheet.
- iii) Exchange differences on settlement/conversion are included in the Statement of Profit and Loss in the period in which they arise.

**g) Investments**

Investments are classified into current investments and non-current investments. Current investments, i.e. investments that are readily realisable and intended to be held for not more than a year are valued at lower of cost and net realisable value. Any reduction in the carrying amount or any reversal of such provision towards reductions are charged or credited to the Statement of Profit and Loss.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

**h) Employee benefits**

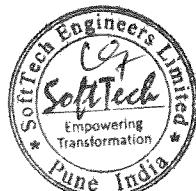
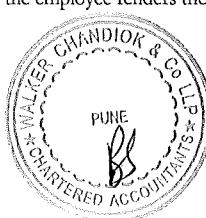
**I. Short-term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences etc. are recognised in the period in which the employee renders the related service.

**II. Post-employment benefits:**

**i) Defined contribution plans:**

The Company's state governed provident fund and ESIC are its defined contribution plans. The contribution paid/payable under the scheme is recognised during the period in which the employee renders the related service.



**SoftTech Engineers Limited**

**Annexure 4: Statement of Notes to Restated Financial Information**

**ii) Defined benefit plans:**

The Company has defined benefit plan in the form of gratuity. The same is determined by actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/ excess, if any, has been provided for/ considered as prepaid.

The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

**Compensated absences**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the compensated absences is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**i) Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.

**j) Taxes on income**

The provision for current taxation is computed in accordance with the relevant tax regulations. Deferred tax is recognised on timing differences between the accounting and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses under tax laws are recognised and carried forward to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised in future. Where there is no unabsorbed depreciation / carry forward loss, deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

**k) Intangible assets**

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the asset.
- Its ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of adequate resources to complete the development and to use or sell the asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

During the period of development, the asset is tested for impairment annually. Amortisation of the asset begins when development is complete and the asset is available for use. Internally generated intangible assets are amortised on a straight line basis over the period of four years. Amortisation is recognised in the Statement of Profit and Loss.

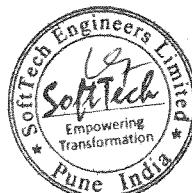
Computer Software are amortised on a straight line basis over their estimated useful life of five years.

**l) Impairment of assets**

Management evaluates at regular intervals, using external and internal sources, the need for impairment of any asset. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its net realisable value on its eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.



**SoftTech Engineers Limited**

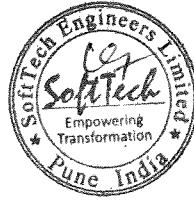
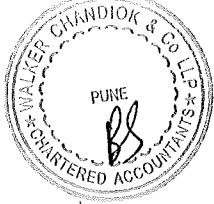
**Annexure 4: Statement of Notes to Restated Financial Information**

**m) Provisions and contingent liabilities**

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to their present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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## Annexure 4: Statement of Notes to Restated Financial Information

## C. Contingent liabilities

Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
Claims against the Company not acknowledged as debt						
Central Sales Tax liability	38.82	-	-	-	-	-
Value Added Tax liability	0.31	-	-	-	-	-
Bank guarantees	647.18	679.67	535.59	219.97	176.55	109.21
Other matters for which the Company is contingently liable	7.62	-	-	-	-	-
Potential non-recoverability of certain receivables						
	693.93	679.67	535.59	219.97	176.55	109.21

## D. Segment reporting

The Company is primarily an information technology and software services organisation. For the purpose of disclosure of segment information, the Company considers this business as a single business segment (i.e. business consulting and software implementation and related support activities). Further, the Company operates primarily in India and there is no other significant geographical segment. In view of the above, both primary and secondary additional reporting disclosures for business / geographical segments as envisaged in Accounting Standard 17, "Segment Reporting" are not applicable to the Company.

## E. Expenditure in foreign currency on accrual basis

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
Legal and professional expenses	-	0.87	-	-	-	-
Travelling and conveyance	1.10	1.06	4.49	15.30	9.49	9.69
Professional fees for technical consultants	3.29	-	31.22	64.91	-	-
Bank charges	-	-	-	0.13	0.27	0.08
Sales promotion expenses	-	-	-	-	10.80	-
	4.39	1.93	35.71	80.34	20.56	9.77

## F. Earning in foreign currency on accrual basis

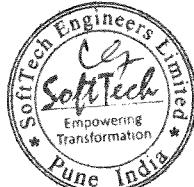
Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
Export of products and services	112.25	4.78	12.23	227.59	335.98	111.72

G. The Company has entered into operating lease agreements for office facilities and such leases are basically cancellable in nature. The lease payments under operating leases have been recognised as an expense in the Restated Summary Statement of Profit and Loss.

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
Lease rent	20.47	32.10	24.86	24.32	23.34	15.66

H. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	1 April 2017 to 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
Receivables (Amounts in USD lakhs)	2.16	1.81	3.33	3.94	5.37	1.46
Receivables (Amounts in ₹ lakhs)	139.81	117.35	220.39	246.47	317.39	79.13
Receivables (Amounts in AED Lakhs)	0.20	0.20	0.30	0.82	-	-
Receivables (Amounts in ₹ Lakhs)	3.60	3.67	5.49	13.95	-	-



## Annexure 4: Statement of Notes to Restated Financial Information

## I. Corporate Social Responsibility (CSR)

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any preceding financial year shall ensure that the Company spends, in every financial year, at least 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company from the financial year beginning 1 April 2017. The financial details as sought by the Companies Act, 2013 are as follows :

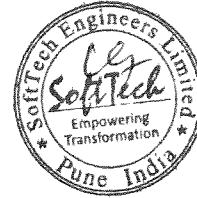
Particulars	As at 31 October 2017
Average net profit of the Company for last three financial years, as per audited financial statements	560.98
Prescribed CSR expenditure (2% of the average net profits as computed above for the entire financial year)	11.22
<b>Details of CSR expenditure during the financial period :</b>	-
Total amount to be spent for the period	6.54
Amount spent	-
Amount unspent	6.54

- J. During the year ended 31 March 2017, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 and the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other notes	Total
Closing cash on hand as at 8 November 2016	-	7.11	7.11
Add: Permitted receipts	-	-	-
Add: Amount withdrawn from bank	-	0.39	0.39
Less: Permitted payments	-	0.40	0.40
<b>Closing cash on hand as at 30 December 2016</b>	-	<b>7.10</b>	<b>7.10</b>

\* The term 'Specified Bank Notes' shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

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**SoftTech Engineers Limited**

**Annexure 4: Statement of Notes to Restated Financial Information**

(Amount in ₹ lakhs)

**K. Restatement adjustments, Material regroupings and Non-adjusting items**

**(a) Impact of restatement adjustments**

Below mentioned is the summary of results of restatement adjustments made to the audited financial statements of the respective period/years and its impact on profits.

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
Profit before tax as per audited financial statements	338.11	733.13	495.66	454.15	300.90	117.13
<b>Adjustments to net profit as per audited financial statements</b>						
Prior period expenses (refer note (b)(i) below)	0.99	4.82	-	0.06	-	-
- Internet expenses	-	(0.67)	-	-	(0.06)	-
- Interest on delayed payment of statutory dues	-	(0.32)	(1.82)	-	-	-
- Rates and taxes	-	-	(3.00)	-	-	-
Bad debts (refer note (b)(ii) below)	3.86	118.31	63.10	(30.90)	62.19	(32.53)
Provision for doubtful debts (refer note (b)(iii) below)	25.30	1.65	3.15	(30.10)	-	-
Excess provision no longer required written back (refer note (b)(iv) below)	-	(6.54)	(7.34)	(44.70)	(7.70)	46.73
<b>Total adjustments</b>	<b>30.15</b>	<b>117.25</b>	<b>54.09</b>	<b>(105.64)</b>	<b>54.43</b>	<b>14.20</b>
<b>Restated profit before tax for the period/ years</b>	<b>368.26</b>	<b>850.38</b>	<b>549.75</b>	<b>348.51</b>	<b>355.33</b>	<b>131.33</b>

**Note:**

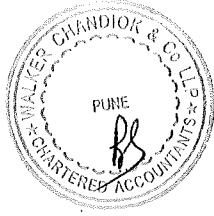
A positive figures represent addition and figures in brackets represent deletion in the corresponding head in the audited financial statements for respective reporting periods to arrive at the restated numbers.

**(b) Explanatory notes for the restatement adjustments**

- (i) In the audited financial statements for the period / year ended 31 October 2017, 31 March 2017 and 31 March 2015, the Company had accounted for certain transactions as prior period items. Accordingly, in the preparation of the Restated Financial Information, the effect of these prior period items have been appropriately adjusted to the results of the respective period/ year to which these items pertain to.
- (ii) During the financial years ended 31 March 2013 to 31 March 2017 and the period ended 31 October 2017, the Company had written-off bad debts which pertained to the receivables of earlier years. For the purpose of the Restated Financial Information, these amounts have been adjusted to the respective years in which such receivables were recorded. Further, the opening retained earnings as at 1 April 2012 has been adjusted to reflect the impact of the items pertaining to periods prior to 31 March 2012 and including for the year ended 31 March 2012.
- (iii) During the financial years ended 31 March 2015 to 31 March 2017 and the period ended 31 October 2017, the Company made provisions towards doubtful debts which pertained to the receivables of earlier years. For the purpose of the Restated Financial Information, these amounts have been adjusted to the respective years in which such receivables were recorded.
- (iv) During the year ended 31 March 2013 to 31 March 2017, certain liabilities which were recorded in earlier years were written-back. Accordingly, in the preparation of the Restated Financial Information, the said liabilities have been appropriately adjusted in the respective financial statement captions, in the years in which the liabilities were originally recorded. Further, the opening balance figure of Surplus in the Statement of Profit and Loss as at 1 April 2012 has been adjusted to reflect the impact of the items pertaining to periods prior to 31 March 2012 and including for the year ended 31 March 2012.
- (v) During the year ended 31 March 2012, the Company had proposed dividend which would be restated and will be adjusted with surplus in the Statement of Profit and Loss for year ended 31 March 2013 based on declaration during year ended 31 March 2013.

**(c) Restatement adjustments made to the audited opening balance figure of the Surplus in the Statement of Profit and Loss as at 1 April 2012:**

Particulars	Amount
Surplus in the Statement of Profit and Loss as at 1 April 2012 as per audited financial statements	420.78
<b>Adjustments:</b>	
Bad debts (refer note (b)(ii) above)	(184.03)
Excess provision no longer required written back (refer note (b)(iv) above)	19.55
Dividend (including Dividend Distribution Tax) (refer note (b)(v) above)	14.51
<b>Surplus in the Statement of Profit and Loss as at 1 April 2012, as restated</b>	<b>270.81</b>



**SoftTech Engineers Limited**

**Annexure 4: Statement of Notes to Restated Financial Information**

**(d) Material regrouping**

- i. With effect from 1 April 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from April 1, 2012, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. Further, there is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI.
  - ii. Appropriate adjustments have been made in the Restated Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the six months period ended 31 October 2017, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended).
- c) Modifications in the auditor's report and statements/comments included in the Annexures to the Audit Report on the audited financial statements of the Company for the period/years ended 31 October 2017, 31 March 2017, 2016, 2015, 2014 and 2013, which do not require any corrective adjustments in the Restated Financial Information are as follows:

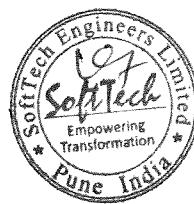
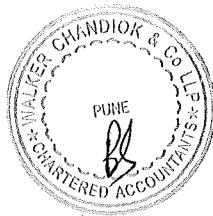
**Financial year ended 31 March 2014**

- (i) The Company does not have an internal audit system. According to the explanations given to us, the management closely monitors the business and the day to day transactions of the Company and is in the process of setting up an internal audit system.

**Financial year ended 31 March 2013**

- (i) The Company does not have an internal audit system. According to the explanations given to us, the management closely monitors the business and the day to day transactions of the Company and is in the process of setting up an internal audit system.

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**SoftTech Engineers Limited**

(Amount in ₹ lakhs)

**Annexure 5: Restated Statement of Share capital**

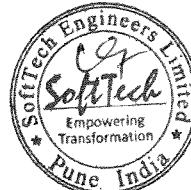
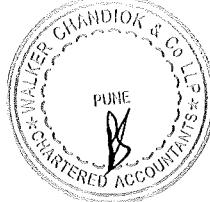
Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
<b>Authorised share capital</b>						
Equity shares of ₹ 10 each						
- Number of shares in lakhs	36.00	36.00	36.00	28.00	28.00	26.00
- Amount in ₹ lakhs	360.00	360.00	360.00	280.00	280.00	260.00
Compulsorily convertible cumulative preference shares of ₹ 10 each						
- Number of shares in lakhs	10.00	10.00	10.00	10.00	10.00	0.50
- Amount in ₹ lakhs	100.00	100.00	100.00	100.00	100.00	5.00
	460.00	460.00	460.00	380.00	380.00	265.00
<b>Issued, subscribed and fully paid up</b>						
Equity shares of ₹ 10 each						
- Number of shares in lakhs	35.26	35.26	35.26	25.83	25.83	24.97
- Amount in ₹ lakhs	352.56	352.56	352.56	258.26	258.26	249.66
Compulsorily convertible cumulative preference shares of ₹ 10 each						
- Number of shares in lakhs	-	-	-	8.61	4.30	-
- Amount in ₹ lakhs	-	-	-	86.09	43.04	-
	352.56	352.56	352.56	344.35	301.30	249.66

**a) Reconciliation of equity share capital**

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
<b>Balance at the beginning of the period/year</b>						
- Number of shares in lakhs	35.26	35.26	25.83	25.83	24.97	24.97
- Amount in ₹ lakhs	352.56	352.56	258.26	258.26	249.66	249.66
<b>Add: Shares issued during the period/year</b>						
- Number of shares in lakhs	-	-	9.43	-	0.86	-
- Amount in ₹ lakhs	-	-	94.30	-	8.60	-
<b>Balance at the end of the period/year</b>						
- Number of shares in lakhs	35.26	35.26	35.26	25.83	25.83	24.97
- Amount in ₹ lakhs	352.56	352.56	352.56	258.26	258.26	249.66

**b) Reconciliation of compulsorily convertible cumulative preference shares**

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
<b>Balance at the beginning of the period/year</b>						
- Number of shares in lakhs	-	-	8.61	4.30	-	-
- Amount in ₹ lakhs	-	-	86.08	43.04	-	-
<b>Add: Shares issued during the period/year</b>						
- Number of shares in lakhs	-	-	-	4.31	4.30	-
- Amount in ₹ lakhs	-	-	-	43.04	43.04	-
<b>Less: Converted into equity shares during the period/year</b>						
- Number of shares in lakhs	-	-	8.61	-	-	-
- Amount in ₹ lakhs	-	-	86.08	-	-	-
<b>Balance at the end of the period/year</b>						
- Number of shares in lakhs	-	-	-	8.61	4.30	-
- Amount in ₹ lakhs	-	-	-	86.08	43.04	-



**Annexure 5: Restated Statement of Share capital****c) Shareholders holding more than 5% of the shares of the Company**

Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
<b>Equity shares of ₹ 10 each</b>						
Vijay Gupta		18.41	18.41	18.41	18.41	17.75
- Number of shares in lakhs	52.21%	52.21%	52.21%	71.27%	71.27%	71.09%
- Percentage holding (%)						
Babubhai K. Patel		3.25	3.25	3.25	3.25	3.13
- Number of shares in lakhs	9.22%	9.22%	9.22%	12.59%	12.59%	12.55%
- Percentage holding (%)						
Rajasthan Trustee Company Private Limited		9.44	9.44	9.44	-	-
- Number of shares in lakhs	26.77%	26.77%	26.77%	-	-	-
- Percentage holding (%)						
CoVisible Solutions (India) Private Limited		-	-	-	1.50	1.50
- Number of shares in lakhs	-	-	-	5.79%	5.79%	5.99%
- Percentage holding (%)						
<b>Compulsorily convertible cumulative preference shares of ₹ 10 each</b>						
Rajasthan Trustee Company Private Limited		-	-	-	8.61	4.30
- Number of shares in lakhs	-	-	-	100.00%	100.00%	-
- Percentage holding (%)						

**d) Rights, preferences and restrictions attached to equity shares**

The Company has equity shares, having par value of ₹ 10 per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend as recommended by the Board of Directors subject to the necessary approval from the shareholders.

In the event of occurrence of a liquidation event or winding up subject to applicable laws, the total proceeds from such an event will be distributed to the Rajasthan Trustee Company Private Limited (the "Investor") in preference to all other shareholders of the Company (including the Promoters) from the assets, cash and/or property of the Company and/or cash or other consideration payable on the occurrence of the liquidation event, as the case may be, prior and in preference to payment of any dividend or distribution of any of the assets or surplus funds of the Company to the shareholders of the Company by reason of their ownership thereof, so that the Investor receives the higher of (liquidation preference amount) :-

- (i) the investment amount plus all declared but unpaid dividends until the date of such payment plus an IRR of 20% p.a; or
- (ii) proportionate share of the valuation as accorded by an independent third party valuer to be mutually appointed by the Investor and Company; or
- (iii) proportionate share of actual liquidation proceeds.

Any proceeds remaining after its distribution to the Investor shall be distributed to all the shareholders (excluding the investor), in proportion to their shareholding.

**e) Rights, preferences and restrictions attached to preference shares**

The Company had fully dilutive Compulsorily Convertible Preference Shares (CCPS), having par value of ₹ 10 per share. During financial year 2013-14, the Company had CCPS which were convertible into equity shares at option of the holder at any time after 31 July 2015, in accordance with the conversion price as stated in the agreement with holder. The CCPS so issued were to be compulsorily converted into equity shares at the completion of 10 years from the date of subscription of the CCPS, or in the event of listing pursuant to an initial public offering (IPO) approved by the holder, whichever is earlier. The holders of CCPS were to be entitled to voting rights on an 'as if converted basis'. The CCPS carried a pre-determined cumulative dividend rate of 0.1% p.a. In addition, if the holders of equity shares were paid dividend in excess of 0.1%, the holders of CCPS were to be entitled to dividend at such higher rate.

In the event of occurrence of a liquidation event or winding up subject to applicable laws, the total proceeds from such an event were to be distributed to the holder in preference to all other shareholders of the Company (including the Promoters).



**SoftTech Engineers Limited**

**Annexure 6: Restated Statement of Reserves and surplus**

(Amount in ₹ lakhs)

Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
<b>A. Securities premium account</b>						
Balance at the beginning of the period / year	996.30	996.30	1,004.51	547.55	23.19	23.19
Add : On shares issued	-	-	-	456.96	524.36	-
Less : Utilisation of premium for redemption of preference shares	-	-	8.21	-	-	-
<b>Balance at the end of the period/year</b>	<b>996.30</b>	<b>996.30</b>	<b>996.30</b>	<b>1,004.51</b>	<b>547.55</b>	<b>23.19</b>
<b>B. Surplus in the Restated Summary Statement of Profit and Loss</b>						
Balance at the beginning of the period/year	1,734.06	1,138.56	776.31	593.75	354.12	270.81
Add : Transferred from the Restated Summary Statement of Profit and Loss	259.77	616.72	380.89	212.29	254.14	97.82
Less: Transitional adjustment on account of Schedule II to Companies Act, 2013	-	-	-	15.12	-	-
Less: Dividend paid on equity and preference shares	35.26	17.63	15.49	12.17	12.48	12.48
Less: Tax on proposed dividend	7.18	3.59	3.15	2.44	2.03	2.03
<b>Balance at the end of the period/year</b>	<b>1,951.39</b>	<b>1,734.06</b>	<b>1,138.56</b>	<b>776.31</b>	<b>593.75</b>	<b>354.12</b>
	<b>2,947.69</b>	<b>2,730.36</b>	<b>2,134.86</b>	<b>1,780.82</b>	<b>1,141.30</b>	<b>377.31</b>

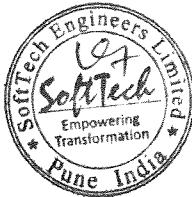
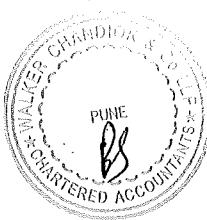
\*Pursuant to amendment in Accounting Standard (AS) – 4, 'Contingencies and Events Occurring After the Balance Sheet date, through Companies (Accounting Standards) Amendment Rules, 2016, the Company has changed its accounting policy in respect of dividend, i.e., if the Company declares dividend to shareholders after the Balance Sheet date, the Company will not recognise those dividends as a liability at the Balance Sheet date unless a statute requires otherwise. Whereas, earlier, the dividends in respect of the period covered by the financial statements, which were proposed or declared by the Company after the Balance Sheet date but before approval of the financial statements, were recorded as liability in the financial statements. Therefore, the Company has made the following adjustments in its reserves and surplus in the restated financial information for five years -

Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
(i) De-recognition of proposed dividend including dividend distribution tax	-	-	21.22	18.64	14.61	14.51
(ii) Proposed dividend including dividend distribution tax pertaining to previous financial year accounted post shareholders' approval	-	21.22	18.64	14.61	14.51	14.51

Note:

The Board of Directors at its meeting held on 21 August 2017 had recommended final dividend of ₹ 35.26 lakhs (₹ 1 per equity share) which was approved by the shareholders in the Annual General Meeting of the Company held on 22 September 2017. The final dividend was declared and paid during the period ended 31 October 2017.

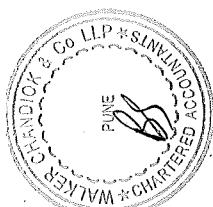
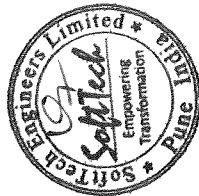
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## Annexure 7: Restated Statement of borrowings

(Amount in ₹ lakhs)

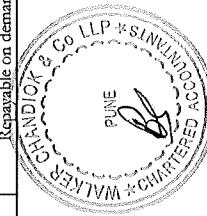
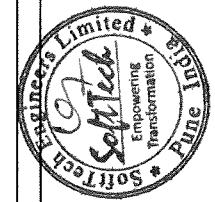
	Particulars	As at 31 October 2017						As at 31 March 2015						As at 31 March 2014					
		Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
<b>Secured</b>																			
(a) Term loans from others																			
Small Industries Development Bank of India (SIDBI)	415.94	-	598.57	-	861.65	-	-	621.23	-	695.90	-	443.10	-						
Technology Development Board (TDB)	75.00	-	75.00	-	-	-	-	43.20	-	129.90	-	216.60	-						
(b) Loans repayable on demand																			
Working capital loan from banks	-	-	-	+26.84	-	342.70	-	-	148.10	-	200.29	-	-	-					107.15
(c) Working capital loan from banks	490.94	621.39	673.57	426.84	861.65	342.70	664.43	148.10	825.80	200.29	659.70	659.70	107.15						
<b>Unsecured</b>																			
(c) Loans from related parties																			
From banks	165.77	-	120.76	-	60.77	-	-	60.77	-	135.76	-	-	-	133.64	-				
From others	112.61	-	32.69	-	78.74	-	-	-	-	7.00	-	32.93	-	17.60	-				
(d) Term loans																			
From banks	21.55	-	56.57	-	118.49	-	-	-	-	-	-	-	-	-	-	-	-	-	
From others	299.93	-	210.02	-	258.00	-	-	60.77	-	142.76	-	32.93	-	151.24	-				
	790.87	621.39	883.59	426.84	1,119.65	342.70	725.20	148.10	968.56	233.22	810.94	107.15							



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## Annexure 7(a): Principal terms and conditions of Long-term borrowings as at 31 October 2017

Sr. no.	Name of the lender	Currency of loan	Sanctioned amount (Rs. In Lakhs)	Principal amount outstanding as on 31 October 2017 (Rs. In Lakhs)	Rate of interest (p.a.)	Total Tenure of the loan (in months)	Repayment schedule of loans	Pre-payment and penalty	Security
1	SIDBI	INR	700.00	344.02	15.75%	48	Equated monthly installments, last due 10 October 2019.	NA	Loan is secured by: i) first charge by way of hypothecation on the assets acquired from loan. ii) first charge on the Intellectual Property Rights (IPR) of products owned by the Company. iii) sub-servient charge on movable and current assets. iv) residual charge over all the immovable assets of the Company.
2	SIDBI	INR	500.00	385.00	10.50%	42	Equated monthly installments, last due 10 June 2020.	NA	Loan is secured by: i) first charge by way of hypothecation on all movable assets acquired from loan ii) first charge by way of hypothecation on all the book-debs arising out of the project of implementing integrated online building permission management system in urban local bodies in the state of Andhra Pradesh iii) extension of first charge by way of hypothecation on all IPRs owned by the Company and Mr. Vijay Gupta, both existing and future iv) pledge of fixed deposits to the tune of 40% of the loan amount v) pledge of fixed deposits of ₹ 15 lakhs towards Debt Service Reserve Account (DSRA) vi) lien on contracted future receivables under the project to be deposited in designated escrow account.
3	TDB	INR	245.00	75.00	5%	72	Equated half yearly installments, last due on 1 April 2023.	NA	Loan is secured by: i) Hypothecation of movable assets of the Company including assets created under the project ranking pari passu with other holders. ii) Personal guarantee from Vijay Gupta and Priti Gupta pledging 3 Lakh shares of ₹ 10/- each having face value of ₹ 30 lakhs
4	EDFRC	INR	50.00	46.08	15.00%	48	Equated monthly installments, last due 4 May 2021.	NA	
5	Kotak Mahindra Bank	INR	60.00	6.64	19.84%	36	Equated monthly installments, last due 10 October 2018.	NA	
6	Rotak Mahindra Bank	INR	57.00	48.85	15.61%	36	Equated monthly installments, last due 10 April 2020.	NA	
7	Standard Chartered Bank	INR	75.00	67.99	15.00%	36	Equated monthly installments, last due 10 June 2020.	NA	
8	Bajaj Finance Limited	INR	40.80	27.46	19.25%	36	Equated monthly installments, last due 2 February 2019.	NA	
9	Capital First Limited	INR	40.00	9.03	19.00%	36	Equated monthly installments, last due 5 October 2018.	NA	
10	Edelweiss Retail Finance Limited	INR	40.00	15.05	17.50%	36	Equated monthly installments, last due 5 October 2018.	NA	
11	Religare Enterprises Limited	INR	50.00	8.82	19.21%	36	Equated monthly installments, last due 1 November 2018.	NA	
12	TATA Capital Finance Services Limited	INR	40.00	19.26	18.65%	36	Equated monthly installments, last due 15 January 2019.	NA	
13	Vijay Gupta	INR	159.40	159.40	NA	NA	Repayable on demand	NA	
14	Priti Gupta	INR	6.37	6.37	NA	NA	Repayable on demand	NA	



## Annexure 8: Deferred tax assets / (liabilities) (net)

(Amount in ₹ lakhs)

Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
Deferred tax liabilities						
Depreciation and amortisation	-	-	21,23	43,11	36,25	32,73
Deferred tax assets						
Depreciation and amortisation	25,12	2,31	-	-	-	-
Provision for doubtful debts	16,76	20,11	19,87	18,77	-	-
Provision for employee benefits	17,14	22,06	14,80	9,80	6,57	5,19
	<b>59,02</b>	<b>44,48</b>	<b>34,67</b>	<b>28,57</b>	<b>6,57</b>	<b>5,19</b>
Deferred tax assets / (liabilities)	<b>59,02</b>	<b>44,48</b>	<b>13,44</b>	<b>(14,54)</b>	<b>(29,68)</b>	<b>(27,54)</b>

## Annexure 9: Restated Statement of Other long-term liabilities

Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
Dealer deposits	1,00	1,00	0,50	0,50	0,51	0,51
	<b>1,00</b>	<b>1,00</b>	<b>0,50</b>	<b>0,50</b>	<b>0,51</b>	<b>0,51</b>

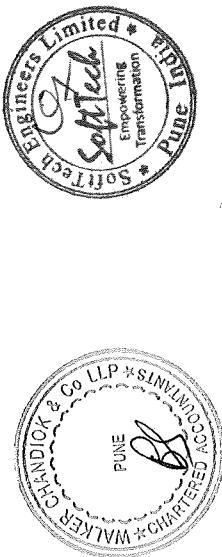
## Annexure 10: Restated Statement of Provisions

Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
Provision for employee benefits						
Provision for gratuity (refer note (a))	44,46	14,87	30,78	12,99	11,58	25,59
Provision for compensated absences (refer note (b))	0,95	0,70	0,30	0,18	1,09	2,11
Others						
Provision for tax (net of advance tax)	-	3,81	-	23,32	-	92,45
	<b>45,41</b>	<b>19,38</b>	<b>40,08</b>	<b>36,49</b>	<b>32,07</b>	<b>105,12</b>
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
WALKECH CHANDICK & CO LLP, CHARTERED ACCOUNTANTS * PUNE	Empowering Transformation *	SoftTech Limited	SoftTech	SoftTech	SoftTech	SoftTech

## Note:

## (a) Gratuity

The Company provides for gratuity benefit under a defined benefit retirement scheme (the “Gratuity Scheme”) as laid out by the Payment of Gratuity Act, 1972 of India covering eligible employees. The Gratuity Scheme provides for a lump-sum payment to employees who have completed at least five years of service with the Company, based on salary and tenure of employment. Liabilities with regard to the Gratuity Scheme are determined by actuarial valuation carried out using the Projected Unit Credit Method by an independent actuary. The Gratuity Scheme is a non-funded scheme and the Company intends to discharge this liability through its internal resources.



The following table sets out the status of the Gratuity Scheme in respect of employees of the Company:

Particulars	1 April 2017 to 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
<b>Change in benefit obligation</b>						
Projected benefit obligation (PBO) at the beginning of the period / year	52.76	41.97	26.72	20.24	15.99	12.89
Service cost	5.74	8.72	6.96	6.70	4.67	3.90
Interest cost	1.76	3.04	2.02	1.60	1.25	1.10
Actuarial loss/(gain)	(0.75)	1.96	8.04	1.91	(1.67)	(1.90)
Benefits paid	(0.18)	(2.93)	(1.77)	(3.73)	-	-
<b>PBO at the end of the period / year</b>	<b>59.33</b>	<b>52.76</b>	<b>41.97</b>	<b>26.72</b>	<b>20.24</b>	<b>15.99</b>
<b>Net gratuity cost comprises*:</b>						
Service cost	5.74	8.72	6.96	6.70	4.67	3.90
Interest cost	1.76	3.04	2.02	1.60	1.25	1.10
Recognised net actuarial loss/ (gain)	(0.75)	1.96	8.04	1.91	(1.67)	(1.90)
<b>Net gratuity costs</b>	<b>6.75</b>	<b>13.72</b>	<b>17.02</b>	<b>10.21</b>	<b>4.25</b>	<b>3.10</b>

\* These expenses have been recognised under Annexure 23

The actuarial assumptions used in accounting for the gratuity plan were as follows:

Discount rate	6.60%	6.70%	7.50%	7.80%	7.80%	7.80%
Rate of increase in compensation levels	10.00%	10.00%	10.00%	6.00%	8.00%	8.00%
Mortality rate	IALM Mortality-Tables (2006-08) Ultimate					
Retirement age	58 years					

Details of present value of obligation, plan assets and experience adjustments:

Particulars	1 April 2017 to 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
Present value of obligation	59.33	52.76	41.97	26.72	20.24	15.99
Fair value of plan assets	-	-	-	-	-	-
Deficit	59.33	52.76	41.97	26.72	20.24	15.99
Experience adjustments:						
On plan liabilities:- (gain) / loss	(0.95)	0.62	(0.89)	9.87	(1.26)	(2.14)
On plan assets:- gain / (loss)	-	-	-	-	-	-

#### (b) Compensated absences

The obligation for compensated absences is recognised in the same manner as gratuity and net charge to the Statement of Profit and Loss for the period ended 31 October 2017 is ₹ 1.18 lakhs (Previous Year: net credit to the Statement of Profit and Loss of ₹ 2.30 lakhs).

#### Annexure 11: Restated Statement of Trade payables

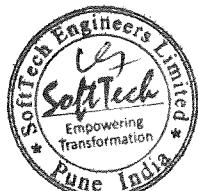
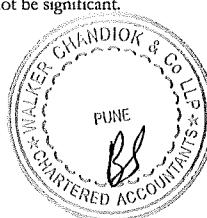
Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
Dues of micro and small enterprises (refer note below)	-	-	-	-	-	-
Dues other than micro and small enterprises	859.78	562.00	846.99	446.58	250.61	77.77
	<b>859.78</b>	<b>562.00</b>	<b>846.99</b>	<b>446.58</b>	<b>250.61</b>	<b>77.77</b>

#### Note: Micro and Small Enterprises

The Company is in the process of obtaining necessary confirmations from suppliers regarding their status under the Micro, Small and Medium Enterprises (MSME) Development Act, 2006 (the 'Act') and hence disclosures regarding the following have not been made:

- i. Amount due and outstanding to MSME suppliers as at the end of the accounting period / year.
- ii. Interest paid during the period / year to MSME.
- iii. Interest payable at the end of the accounting period / year to MSME.
- iv. Interest accrued and unpaid at the end of the accounting period / year to MSME.

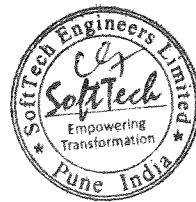
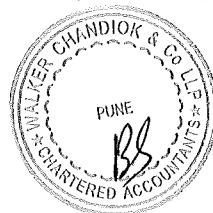
Management believes that the figures for disclosures, if any, will not be significant.



## Annexure 12: Restated Statement of Other current liabilities

Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
Current maturities of long-term borrowings	428.10	421.01	376.60	168.37	159.50	158.69
Interest accrued but not due on borrowings	8.05	9.89	12.90	20.46	45.41	46.64
Statutory dues	69.32	135.29	76.83	41.04	82.31	57.91
Advance from customers	19.96	16.38	32.15	4.11	0.74	0.31
Deferred revenue	2.66	-	-	-	-	-
Outstanding expenses	477.41	438.18	303.11	225.21	170.10	77.36
	1,005.50	1,020.75	801.59	459.19	458.06	340.91

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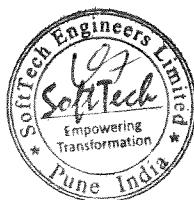
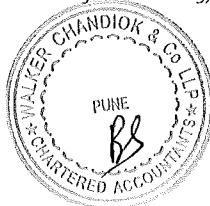
SoftTech Engineers Limited

Annexure I3: Restated Statement of Property, plant and equipment

(Amount in ₹ lakhs)

Gross block	Furniture and fixtures	Vehicles	Office equipment	Computers	Service cell system	Total
Balance as at 1 April 2012	75.26	12.22	16.52	167.53	-	271.53
Additions	-	-	0.94	2.47	80.76	84.17
Balance as at 31 March 2013	75.26	12.22	17.46	170.00	80.76	355.70
Additions	1.25	-	-	21.27	99.44	121.96
Balance as at 31 March 2014	76.51	12.22	17.46	191.27	180.20	477.66
Additions	2.87	-	3.32	17.58	169.25	193.02
Balance as at 31 March 2015	79.38	12.22	20.78	208.85	349.45	670.68
Additions	0.18	-	0.24	26.73	-	27.15
Balance as at 31 March 2016	79.56	12.22	21.02	235.58	349.45	697.83
Additions	2.47	-	1.55	14.64	-	18.66
Disposals	-	-	8.61	65.05	-	73.66
Balance as at 31 March 2017	82.03	12.22	13.96	185.17	349.45	642.83
Additions	-	-	-	5.49	-	5.49
Balance as at 31 October 2017	82.03	12.22	13.96	190.66	349.45	648.32
<b>Accumulated depreciation and amortisation</b>						
Balance as at 1 April 2012	23.67	4.09	5.18	103.90	-	136.84
Depreciation charge	4.80	1.16	1.02	20.64	1.19	28.81
Balance as at 31 March 2013	28.47	5.25	6.20	124.54	1.19	165.65
Depreciation charge	6.02	1.16	0.82	18.64	36.04	62.68
Balance as at 31 March 2014	34.49	6.41	7.02	143.18	37.23	228.33
Depreciation charge	17.66	2.32	2.18	19.87	53.29	95.32
Transferred to retained earnings	0.04	-	3.98	11.10	-	15.12
Balance as at 31 March 2015	52.19	8.73	13.18	174.15	90.52	338.77
Depreciation charge	4.27	2.32	1.67	23.59	69.89	101.74
Balance as at 31 March 2016	56.46	11.05	14.85	197.74	160.41	440.51
Depreciation charge	5.58	1.16	1.61	22.51	65.55	96.41
Reversal on disposal of assets	-	-	8.61	65.05	-	73.66
Balance as at 31 March 2017	62.04	12.21	7.85	155.20	225.96	463.26
Depreciation charge	3.14	-	0.96	12.09	40.98	57.17
Balance as at 31 October 2017	65.18	12.21	8.81	167.29	266.94	520.43
<b>Net block</b>						
Balance as at 31 March 2013	46.79	6.97	11.26	45.46	79.57	190.05
Balance as at 31 March 2014	42.02	5.81	10.44	48.09	142.97	249.33
Balance as at 31 March 2015	27.19	3.49	7.60	34.70	258.93	331.91
Balance as at 31 March 2016	23.10	1.17	6.18	37.84	189.04	257.32
Balance as at 31 March 2017	19.99	0.01	6.11	29.97	123.49	179.57
Balance as at 31 October 2017	16.85	0.01	5.15	23.37	82.51	127.89

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SoftTech Engineers Limited

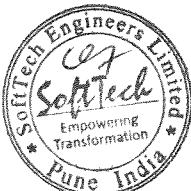
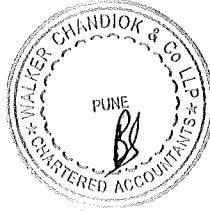
(Amount in ₹ lakhs)

Annexure 14: Restated Statement of Intangible assets

Gross block	Computer software	Internally generated software	Total
Balance as at 1 April 2012	84.81	534.72	619.53
Additions	10.02	-	10.02
Capitalisation	-	117.50	117.50
Balance as at 31 March 2013	94.83	652.22	747.05
Additions	23.93	184.10	208.03
Balance as at 31 March 2014	118.76	836.32	955.08
Additions	14.39	461.31	475.70
Balance as at 31 March 2015	133.15	1,297.63	1,430.78
Additions	-	153.17	153.17
Balance as at 31 March 2016	133.15	1,450.80	1,583.95
Additions	2.28	439.19	441.47
Balance as at 31 March 2017	135.43	1,889.99	2,025.42
Additions	-	-	-
Balance as at 31 October 2017	135.43	1,889.99	2,025.42
<b>Accumulated amortisation</b>			
Balance as at 1 April 2012	50.02	220.67	270.69
Amortisation charge	14.75	79.77	94.52
Balance as at 31 March 2013	64.77	300.44	365.21
Amortisation charge	17.78	158.06	175.84
Balance as at 31 March 2014	82.55	458.50	541.05
Amortisation charge	18.45	189.21	207.66
Balance as at 31 March 2015	101.00	647.71	748.71
Amortisation charge	11.74	248.63	260.37
Balance as at 31 March 2016	112.74	896.34	1,009.08
Amortisation charge	7.55	269.69	277.24
Balance as at 31 March 2017	120.29	1,166.03	1,286.32
Amortisation charge	4.61	163.37	167.98
Balance as at 31 October 2017	124.90	1,329.40	1,454.30
<b>Net block</b>			
Balance as at 31 March 2013	30.06	351.78	381.84
Balance as at 31 March 2014	36.21	377.82	414.03
Balance as at 31 March 2015	32.15	649.92	682.07
Balance as at 31 March 2016	20.41	554.46	574.87
Balance as at 31 March 2017	15.14	723.96	739.10
Balance as at 31 October 2017	10.53	560.59	571.12

Annexure 15: Restated Statement of Non-current investments

Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
Valued at cost unless stated otherwise						
Trade, unquoted investments in equity shares						
The Mahesh Sahakari Bank Limited (14,192 equity shares of ₹ 25 each fully paid up)	3.55	3.55	3.55	3.55	3.55	3.55
The Saraswat Co-operative Bank Limited (2,500 equity shares of ₹ 10 each fully paid up)	0.25	0.25	0.25	0.25	0.25	0.25
SoftTech Software TR LLC	-	-	-	28.65	28.65	28.65
	3.80	3.80	3.80	32.45	32.45	32.45
Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
Aggregate amount of unquoted investments	3.80	3.80	3.80	32.45	32.45	32.45



## Annexure 16: Restated Statement of Loans and advances

(Amount in ₹ lakhs)

Particulars	As at		As at 31 March						2013			
	Long-term	Short-term	2017		2016		2015		2014		2013	
			Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
<b>Unsecured, considered good (unless otherwise stated)</b>												
Security deposits	30.26	30.00	31.87	30.00	28.62	-	30.90	-	30.59	-	42.29	
Tender deposits	64.78	17.06	100.12	17.06	15.41	20.74	18.68	17.28	9.96	14.76	8.75	
Advance tax (net of provisions)	35.07	-	29.74	-	29.74	-	2.27	-	2.27	-	2.27	
Advances to related parties	7.68	-	7.68	-	7.68	-	7.68	-	7.68	-	27.68	
Prepaid expenses	7.68	-	7.68	-	7.68	-	7.68	-	7.68	-	7.68	
Advance to employees and others	10.63	75.13	13.81	61.32	11.75	12.62	1.83	4.54	4.03	5.93	1.06	
Balances with government authorities	-	60.89	-	51.06	-	73.95	-	32.73	-	7.56	-	
Advances recoverable in cash or in kind or for value to be received	-	5.05	-	10.46	-	2.98	-	8.26	-	0.68	-	
	148.42	188.13	183.22	169.90	93.20	116.73	61.36	62.81	54.53	28.93	82.05	
											41.32	

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(Amount in ₹ lakhs)

## Annexure 17: Restated Statement of Other non-current assets

Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
<b>Unsecured, considered good (unless otherwise stated)</b>						
Bank deposits with maturity of more than 12 months	413.56	389.56	326.49	308.21	146.27	9.53
Interest accrued but not due on fixed deposits and others	69.21	51.43	22.28	19.79	6.10	3.55
Trade receivables	65.51	225.89	287.92	100.11	10.18	14.91
	<b>548.28</b>	<b>666.88</b>	<b>636.69</b>	<b>428.11</b>	<b>162.55</b>	<b>27.99</b>

## Details of bank deposits pledged:

(i) Deposits as of 31 October 2017 amounting to ₹ 215.00 lakhs (Year ended 31 March 2017: ₹ 215.00 lakhs) are pledged as security against the long-term borrowings

(ii) Deposits as of 31 October 2017 amounting to ₹ 36.00 lakhs (Year ended 31 March 2017: ₹ 12.00 lakhs) are pledged as security against the short-term borrowings

(iii) Deposits as of 31 October 2017 amounting to ₹ 162.56 lakhs (Year ended 31 March 2017: ₹ 162.56 lakhs) are held against bank guarantees.

## Annexure 18: Restated Statement of Trade receivables

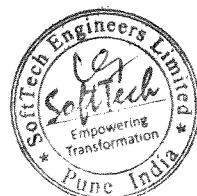
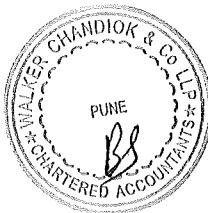
Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>						
Unsecured, considered good	926.84	544.50	835.13	468.83	305.69	419.06
Unsecured, considered doubtful	60.82	60.82	60.14	57.86	-	-
Less Provision for doubtful debts	987.66	605.32	895.27	526.69	305.69	419.06
	(60.82)	(60.82)	(60.14)	(57.86)	-	-
	926.84	544.50	835.13	468.83	305.69	419.06
<b>Other debts</b>						
Unsecured, considered good	1,563.54	1,201.14	1,383.61	1,376.05	1,132.53	281.90
	<b>2,490.38</b>	<b>1,745.64</b>	<b>2,218.74</b>	<b>1,844.88</b>	<b>1,438.22</b>	<b>700.96</b>

## Annexure 19: Restated Statement of Cash and bank balances

Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
<b>Cash and cash equivalents</b>						
Cash on hand	11.50	7.95	8.52	1.79	1.34	3.42
Balances with banks	-	-	-	-	-	-
- in current accounts	9.03	190.61	125.57	22.05	531.89	109.72
	<b>20.53</b>	<b>198.56</b>	<b>134.09</b>	<b>23.84</b>	<b>533.23</b>	<b>113.14</b>
<b>Other bank balances</b>						
Balance in escrow accounts	0.17	127.38	-	-	-	-
	<b>20.70</b>	<b>325.94</b>	<b>134.09</b>	<b>23.84</b>	<b>533.23</b>	<b>113.14</b>

## Annexure 20: Restated Statement of Other current assets

Particulars	As at 31 October 2017	As at 31 March				
		2017	2016	2015	2014	2013
<b>Unsecured, considered good (unless otherwise stated)</b>						
Unbilled revenue	1,971.43	1,764.70	1,318.91	411.70	304.33	203.18
Unamortised share issue expenses	7.50	-	-	-	-	-
	<b>1,978.93</b>	<b>1,764.70</b>	<b>1,318.91</b>	<b>411.70</b>	<b>304.33</b>	<b>203.18</b>



## Annexure 21: Restated Statement of Revenue from operations

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
<b>Revenue from operations</b>						
Sale of services	2,058.32	3,777.93	2,853.15	2,253.67	1,855.10	792.39
Sale of traded products	281.51	893.90	1,545.83	1,271.78	706.81	1,334.25
Other operating revenue	8.34	-	-	-	-	-
	<b>2,348.17</b>	<b>4,671.83</b>	<b>4,398.98</b>	<b>3,525.45</b>	<b>2,561.91</b>	<b>2,126.64</b>

## Annexure 22: Restated Statement of Other income

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
Interest income on deposits with banks and others	19.64	30.77	19.25	35.79	4.22	6.53
Credit balances written back	-	6.52	-	16.75	1.37	58.30
Gain on foreign currency transactions and translations (net)	-	-	14.30	16.34	0.07	2.93
Dividend income	-	0.50	-	0.03	0.03	0.05
Miscellaneous income	7.27	2.01	-	-	-	1.18
	<b>26.91</b>	<b>39.80</b>	<b>33.55</b>	<b>68.91</b>	<b>5.69</b>	<b>68.99</b>
<b>Profit before tax</b>	<b>368.26</b>	<b>850.38</b>	<b>549.75</b>	<b>348.51</b>	<b>355.33</b>	<b>131.33</b>
% of other income to profit before tax	7%	5%	6%	20%	2%	53%

## Notes:

- (a) All the items of other income are related to business activities. Further, out of all the items of other income only interest income from deposits and gain on foreign currency translations and transactions are recurring and the remaining are non-recurring in nature.
- (b) The classification of 'Other income' as recurring or non-recurring and related or non-related to business activities is based on the current operations and business activities of the Company, as determined by the management.

## Annexure 23: Restated Statement of Employee benefits expense

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
Salaries, wages and bonus	465.49	779.13	561.82	317.21	293.90	257.31
Contribution to provident fund and other funds	17.32	26.91	16.53	11.61	9.75	7.17
Staff welfare expenses	2.00	2.76	4.21	2.52	2.64	1.89
	<b>484.81</b>	<b>808.80</b>	<b>582.56</b>	<b>331.37</b>	<b>306.29</b>	<b>266.37</b>

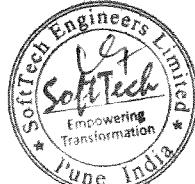
**Defined contribution plan:** The amount recognised as an expense during the period ended 31 October 2017 is ₹ 17.22 lakhs (for the year ended 31 March 2017 ₹ 26.91 lakhs, 31 March 2016 ₹ 16.53 lakhs, 31 March 2015 ₹ 11.61 lakhs, 31 March 2014 ₹ 9.75 lakhs and 31 March 2013 ₹ 7.17 lakhs).

## Annexure 24: Restated Statement of Finance costs

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
Interest expense	124.62	225.45	176.29	131.14	146.85	81.97
Other borrowing costs	3.26	10.90	15.91	10.90	8.10	4.88
Interest on delayed payment of statutory dues	9.03	0.97	7.79	0.63	1.13	-
	<b>136.91</b>	<b>237.32</b>	<b>199.99</b>	<b>142.67</b>	<b>156.08</b>	<b>86.85</b>

## Annexure 25: Restated Statement of Depreciation and amortisation expense

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
Depreciation and amortisation expense (Refer Annexure 13 and 14)	225.15	373.65	362.11	302.98	238.52	123.33
	<b>225.15</b>	<b>373.65</b>	<b>362.11</b>	<b>302.98</b>	<b>238.52</b>	<b>123.33</b>



## SoftTech Engineers Limited

(Amount in ₹ lakhs)

## Annexure 26: Restated Statement of Other expenses

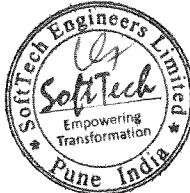
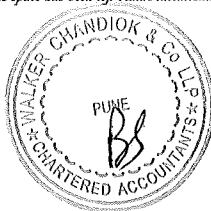
Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
Electricity charges	7.52	11.66	7.53	5.46	6.56	4.65
Rent	20.47	32.10	24.86	24.32	23.34	15.66
Repairs and maintenance	3.63	4.75	5.08	4.31	3.66	2.27
Insurance	2.47	1.96	1.85	3.35	1.64	1.63
Rates and taxes	6.58	3.64	15.33	10.96	12.34	0.40
Travelling and conveyance	55.55	85.84	83.63	88.01	62.46	48.41
Sub-contracting expenses	86.08	85.34	178.50	390.67	347.99	48.58
Professional fees for technical consultants	633.16	1,310.29	782.15	454.31	313.98	59.22
Auditor's remuneration (Refer note below)	0.17	5.62	6.50	1.54	1.06	1.04
Legal and professional expenses	41.46	59.42	92.33	25.85	13.50	11.79
Bank charges	9.44	12.44	8.56	5.86	5.59	2.15
Sales promotion expenses	18.47	35.50	41.43	42.23	69.16	21.26
Printing and stationery	3.54	9.97	15.23	18.34	15.70	2.70
Office expenses	8.94	12.16	7.05	4.60	2.60	2.79
Postage and telephone	5.10	9.26	6.96	3.97	4.30	4.70
Internet charges	3.52	5.71	4.94	3.65	5.07	2.32
Brokerage and commission	6.34	9.09	7.29	39.14	14.32	51.53
Bad debts written off	-	3.32	26.16	109.35	32.44	60.59
Investment written off	-	-	28.65	-	-	-
Provision for doubtful debts	-	0.68	2.28	57.86	-	-
Donation	0.22	6.71	-	1.25	3.87	0.18
Loss on foreign currency transactions and translations (net)	1.05	2.30	-	-	-	-
Royalty expenses	-	-	8.33	3.90	5.06	-
Miscellaneous expenses	11.48	10.14	13.84	8.52	19.77	4.07
	925.19	1,717.90	1,368.48	1,307.45	964.41	345.94

## Note: Auditor's remuneration (excluding tax)

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
As auditor						
Statutory audit*	7.50	5.50	6.50	1.20	0.80	0.80
Tax audit	-	-	-	0.30	0.20	0.20
Reimbursement of expenses	0.17	0.12	-	0.04	0.06	0.04
	7.67	5.62	6.50	1.54	1.06	1.04

\* Audit fees for the period 1 April 2017 to 31 October 2017 amounting to ₹ 7.50 Lakhs disclosed in Annexure 20 as 'Unamortised share issue expenses'.

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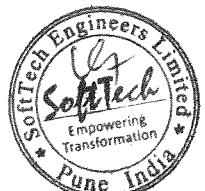
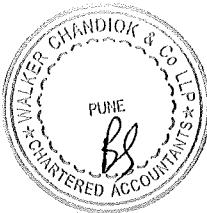


## Annexure 27: Restated Statement of Accounting and other ratios

Sr. no.	Particulars	1 April 2017 to 31 October 2017	As at and for the year ended 31 March				
			2017	2016	2015	2014	2013
A	Net worth, as restated (₹ in lakhs)	3,300.25	3,082.92	2,487.42	2,125.17	1,442.60	626.97
B	Profit after tax, as restated (₹ in lakhs)	259.77	616.72	380.89	212.29	254.14	97.82
C	Weighted average number of equity shares outstanding during the period/ year						
D	For Basic and diluted earnings per share (in lakhs)	35.26	35.26	27.14	25.83	24.98	24.97
E	Weighted average number of equity shares at the end of the period/year after bonus						
F	For Basic and diluted earnings per share (in lakhs)	70.52	70.52	62.40	61.09	60.24	60.23
G	Earnings per share						
H	Basic and diluted earnings per share - before bonus (₹) (B/C)	7.37	17.49	14.03	8.22	10.17	3.92
I	Basic and diluted earnings per share - after bonus (₹) (B/D)	3.68	8.75	6.10	3.48	4.22	1.62
J	Return on Net Worth (%) (B/A*100)	7.87%	20.00%	15.31%	9.99%	17.62%	15.60%
K	Number of shares outstanding at the end of the period/ year (in lakhs)	35.26	35.26	35.26	25.83	25.83	24.97
L	Number of shares outstanding at the end of the period/ year after bonus (in lakhs)	70.52	70.52	70.52	61.09	61.09	60.23
M	Net asset value per equity share of ₹ 10 each (₹) - before bonus (A/H)	93.60	87.43	70.55	82.28	55.85	25.11
N	Net asset value per equity share of ₹ 10 each (₹) - after bonus (₹) (A/I)	46.80	43.72	35.27	34.79	23.61	10.41
O	Face value of equity shares (₹)	10.00	10.00	10.00	10.00	10.00	10.00

## Notes :-

- 1) The ratios have been computed in the following manner :
  - a) Basic and Diluted earnings per share (₹)
  - b) Return on net worth (%) =  $\frac{\text{Restated Profit after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period/year}}$
  - c) Net asset value per share (₹)  $\frac{\text{Restated Profit after tax}}{\text{Restated Net worth as at period/ year end}}$
  - d) Total number of equity shares as at period/ year end
- 2) The figures disclosed above are based on the Restated Financial Information of the Company.
- 3) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted for the number of equity shares issued during the period/year multiplied by the time weightage factor. The time weightage factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year. As per Accounting Standard-20, Earnings per share, the number of equity shares outstanding before a defined event is adjusted for the change in the number of equity shares outstanding, as if the defined event had occurred at the beginning of the earliest period reported. Accordingly, bonus shares issued during February 2018 have been added to the outstanding shares in the respective earlier periods.
- 4) The Company had CCPS, having par value of Rs.10/- per share. The CCPS were to be converted into such number of Equity Shares, at option of the investor at any time after July 31 2015 or were to be automatically converted into equity shares at the completion of 10 years from the date of subscription of CCPS; in accordance with the conversion price under the agreement with the shareholders based on fair valuation. The shares to be so issued were fairly priced and as per para 37(a) of Accounting Standard 20, "Earnings per Share" are assumed to be neither dilutive nor anti dilutive and hence not considered for the calculation of Diluted Earnings per Share.
- 5) Ratios for the seven months ended 31 October 2017 have not been annualised.
- 6) Net worth for the ratios represents sum of share capital and reserves and surplus (securities premium and surplus in the Restated Summary Statement of Profit and Loss).
- 7) The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company in Annexure 4.

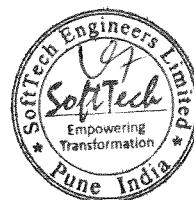
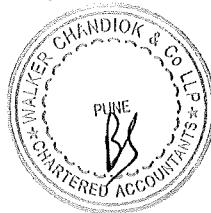


## Annexure 28: Statement of dividend declared

Particulars	1 April 2017 to 31 October 2017	As at and for the year ended March 31				
		2017	2016	2015	2014	2013
<b>Equity shares</b>						
Equity share capital (₹)	352.56	352.56	352.56	258.26	258.26	249.66
Number of equity shares	35.26	35.26	35.26	25.83	25.83	24.97
Face value per share (₹)	10.00	10.00	10.00	10.00	10.00	10.00
<b>Preference shares</b>						
Preference share capital (₹)	-	-	-	86.09	43.04	-
Number of preference shares	-	-	-	8.61	4.30	-
Face value per share (₹)	-	-	-	10.00	10.00	-
<b>Dividend on equity shares</b>						
Final dividend rate	10.00%	5.00%	5.00%	4.71%	5.00%	5.00%
<b>Dividend on preference shares</b>						
Final dividend rate	-	-	3.00%	0.01%	-	-
<b>Dividend paid on equity shares</b>						
Final dividend (₹)	35.26	17.63	12.91	12.16	12.48	12.48
Tax on dividend including surcharge (₹)	7.18	3.59	2.62	2.44	2.03	2.03
<b>Dividend on preference shares</b>						
Final dividend (₹)	-	-	2.58	0.01	-	-
Tax on dividend including surcharge (₹)	-	-	0.53	0.00	-	-

1. The above statement should be read with the Statement of Notes to Restated Financial Information in Annexure 4.

2. The Board of Directors at its meeting held on 21 August 2017 had recommended final dividend of ₹ 35.26 lakhs (₹ 1 per equity share) which was approved by the shareholders in the Annual General Meeting of the Company held on 22 September 2017. The final dividend was declared and paid during the period ended 31 October 2017.



**SoftTech Engineers Limited**

**Annexure 29: Restated Statement of Related party disclosures**

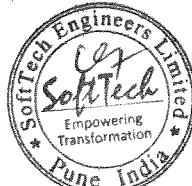
**(a) Names of related parties and description of relationship:**

Nature of related parties	Description of relationship
Vijay Gupta	Managing Director
Priti Gupta	Director
Babubhai K. Patel	Director (upto 23 November 2017)
Ravi Mathur	Director
Raja Bhaskar Goru	Chief Financial Officer (upto 5 July 2016)
SoftTech Engineers (JV)	Enterprise over which key managerial personnel and their relatives exercise significant influence
CoVisible Solutions (India) Private Limited	Enterprise over which key managerial personnel and their relatives exercise significant influence
Rajasthan Trustee Company Private Limited	Enterprise having significant influence over the Company
SoftTech Software TR LLC	Enterprise over which the Company has significant influence
Pawan Gupta	Relative of director

**b) Transactions with related parties:**

(Amount in ₹ lakhs)

Particulars	1 April 2017 to 31 October 2017	As at and for the year ended 31 March				
		2017	2016	2015	2014	2013
<b>Loan taken</b>						
Vijay Gupta	45.00	175.00	150.00	20.00	5.28	20.50
Priti Gupta	-	-	20.00	-	30.87	10.00
<b>Repayment of loan taken</b>						
Vijay Gupta	-	115.00	150.00	94.99	5.28	-
Priti Gupta	-	-	20.00	-	28.75	10.00
<b>Rent paid</b>						
Priti Gupta	3.92	6.39	5.81	5.28	4.80	4.36
Babubhai K. Patel	5.28	8.85	8.04	-	-	-
Vijay Gupta	-	-	-	0.33	-	-
<b>Remuneration paid</b>						
Vijay Gupta	23.33	44.00	36.00	30.00	24.00	24.00
Babubhai K. Patel	1.75	3.00	3.00	-	-	-
Priti Gupta	6.01	9.36	7.80	6.00	6.00	6.00
Raja Bhaskar Goru	-	3.95	29.92	-	-	-
<b>Commission paid</b>						
Pawan Gupta	-	-	0.18	6.75	2.01	11.22
<b>Receiving services</b>						
Pawan Gupta	1.20	4.80	5.06	2.06	7.50	3.30
<b>Dividend paid</b>						
Vijay Gupta	18.41	9.20	9.20	8.88	8.87	8.87
Priti Gupta	0.17	0.08	0.08	0.08	0.08	0.08
Babubhai K. Patel	3.25	1.63	1.63	-	-	-
CoVisible Solutions (India) Private Limited	1.50	0.75	0.75	0.75	0.75	0.75
Rajasthan Trustee Company Private Limited	9.44	4.72	2.58	0.01	-	-
<b>Interest income on security deposit</b>						
Babubhai K. Patel	1.25	2.14	2.14	-	-	-



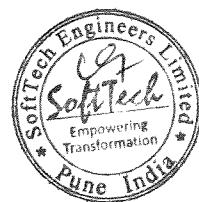
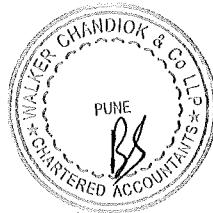
SoftTech Engineers Limited

Annexure 29: Restated Statement of Related party disclosures

(Amount in ₹ lakhs)

c) Balances with related parties (as at period/year-end)

Particulars	As at 31 October 2017	As at March 31				
		2017	2016	2015	2014	2013
<b><u>Amount receivable</u></b>						
<b>Interest receivable</b>						
Babubhai K. Patel	17.47	16.22	14.08	-	-	-
<b>Trade receivable</b>						
SoftTech Software TR LLC	-	-	-	4.67	6.14	10.04
SoftTech Engineers (JV)	-	-	-	-	15.38	38.53
<b>Advance towards purchase of goods</b>						
CoVisible Solutions (India) Private Limited	7.68	7.68	7.68	7.68	7.68	27.68
<b>Security deposit</b>						
Vijay Gupta	5.53	5.53	5.53	5.53	-	-
Babubhai K. Patel	17.83	17.83	17.83	-	-	-
Priti Gupta	2.02	2.02	2.02	2.02	-	-
<b><u>Amount payable</u></b>						
<b>Unsecured loan</b>						
Vijay Gupta	159.40	114.40	54.40	54.40	129.39	129.39
Priti Gupta	6.37	6.37	6.37	6.37	6.37	4.25
<b>Remuneration payable</b>						
Vijay Gupta	28.40	22.54	9.73	3.56	4.84	0.07
Babubhai K. Patel	7.72	5.99	4.75	-	-	-
Priti Gupta	3.36	3.11	2.98	1.47	2.82	0.42
Pawan Gupta	-	-	-	-	-	-
Raja Bhaskar Goru	-	-	-	-	-	-
<b>Rent payable</b>						
Priti Gupta	11.92	8.39	3.09	2.15	2.49	3.73
Babubhai K. Patel	19.61	14.85	16.87	-	-	-
Vijay Gupta	-	-	-	-	-	-
<b>Commission payable</b>						
Pawan Gupta	-	-	-	-	1.23	-
<b>Consultancy fees payable</b>						
Pawan Gupta	2.40	1.68	1.68	1.32	1.08	3.57



SoftTech Engineers Limited

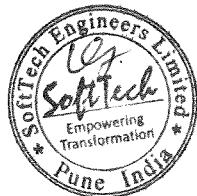
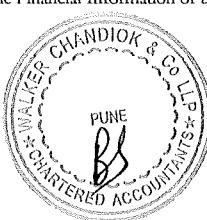
Annexure 30: Statement of tax shelter

(Amount in ₹ lakhs)

Particulars	1 April 2017 to 31 October 2017	For the year ended 31 March				
		2017	2016	2015	2014	2013
<b>Profit before tax, as restated (A)</b>	368.26	850.38	549.75	348.51	355.33	131.33
Tax rate (%) (B)	27.55%	33.06%	33.06%	32.45%	32.45%	30.90%
<b>Tax expense at nominal rate [C= (A*B)]</b>	<b>101.46</b>	<b>281.13</b>	<b>181.75</b>	<b>113.09</b>	<b>115.30</b>	<b>40.58</b>
<b>Adjustments</b>						
<b>Permanent differences</b>						
Donations	0.22	6.71	-	-	-	-
Prior period expenses	-	0.99	4.82	-	-	-
Interest/penalties on delayed payment of taxes	1.24	0.60	5.96	2.79	6.64	3.10
Others	(3.86)	(111.77)	(55.76)	75.60	(54.49)	(14.20)
Adjustment on account of Section 37 of Income tax Act, 1961	-	-	-	5.06	7.03	0.18
<b>Total permanent differences (D)</b>	<b>(2.40)</b>	<b>(103.47)</b>	<b>(44.98)</b>	<b>83.45</b>	<b>(40.82)</b>	<b>(10.92)</b>
<b>Timing differences</b>						
Depreciation difference as per books and as per tax	84.31	71.21	68.48	(32.70)	(11.94)	(23.58)
Adjustment on account of Section 43B of Income tax Act, 1961	1.18	(2.29)	0.70	0.00	3.14	-
Adjustment on account of Section 40 of Income tax Act, 1961	-	(9.23)	18.20	0.19	1.43	-
Provision for gratuity	5.31	10.71	0.95	9.14	-	-
Provision for doubtful debts	-	0.68	2.28	57.86	-	-
<b>Total timing differences (E)</b>	<b>90.80</b>	<b>71.08</b>	<b>90.61</b>	<b>34.49</b>	<b>(7.37)</b>	<b>(23.58)</b>
<b>Deduction under Chapter VIA (F)</b>	<b>(10.11)</b>	<b>(17.33)</b>	<b>-</b>	<b>-</b>	<b>(1.88)</b>	<b>-</b>
Net adjustments(G)=(D+E+F)	78.29	(49.72)	45.63	117.94	(50.07)	(34.50)
Tax impact of adjustments (H)=(G)*(B)	21.57	(16.44)	15.09	38.27	(16.25)	(10.66)
<b>Tax expenses (I= H+C) (derived)</b>	<b>123.03</b>	<b>264.70</b>	<b>196.84</b>	<b>151.36</b>	<b>99.05</b>	<b>29.92</b>
<b>Current tax expense as per Restated Summary Statement of Profit and Loss</b>	<b>123.03</b>	<b>264.70</b>	<b>196.84</b>	<b>151.36</b>	<b>99.05</b>	<b>29.92</b>

Notes:

- The above statement is in accordance with Accounting Standard - 22, "Accounting for Taxes on Income" prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended).
- The permanent/timing differences for the years ended 31 March 2017, 2016, 2015, 2014 and 2013 have been computed based on the Income-tax returns filed for the respective years after giving adjustments to restatements, if any.
- Figures for the seven months ended 31 October 2017 have been derived from the provisional computation of total income prepared by the Company in line with the final return of income filed for the assessment year 2017-2018 and are subject to any change that may be considered at the time of filing return of income for the assessment year 2018-2019.
- Statutory tax rate includes applicable surcharge, education cess and higher education cess for the year concerned.
- The above statement should be read with the Statement of Notes to the Financial Information of the Company.



SoftTech Engineers Limited

Annexure 31: Restated Statement of Capitalisation

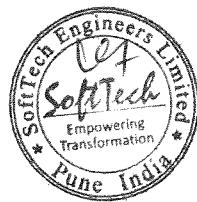
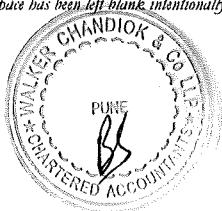
Particulars		(Amount in ₹ Lakhs)
	Pre Issue as at 31 October 2017	Post Issue
<b>Borrowings</b>		
Short- term	621.39	•
Long- term (including current maturities) (A)	1,218.97	•
<b>Total Borrowings (B)</b>	<b>1,840.36</b>	
<b>Shareholders' funds</b>		
Share capital	352.56	•
Reserves and surplus	2,947.69	•
<b>Total Shareholders' funds (C)</b>	<b>3,300.25</b>	•
Long- term borrowings/ equity* $\{(A)/(C)\}$ (in times)	0.37	•
<b>Total borrowings / equity* <math>\{(B)/(C)\}</math> (in times)</b>	<b>0.56</b>	•

\* equity= total shareholders' funds

**Notes:**

- 1 Short-term borrowings implies borrowings repayable within 12 months from the Balance Sheet date. Long-term borrowings are debts other than short-term borrowings and also includes the current maturities of long-term borrowings (included in other current liabilities).
  - 2 The above ratios have been computed on the basis of the Restated Summary Statement of Assets and Liabilities of the Company.
  - 3 The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company in Annexure IV.
- The corresponding post issue figures will be calculated on finalisation of issue price and the number of shares on conclusion of the book building process.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which have been included in this Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements for the years ended March 31, 2017, 2016, 2015, and period ended October 31, 2017 including the related notes and reports, included in this Red Herring Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective years and period ended October 31, 2017. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.*

*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 described under "Risk Factors" and "Forward Looking Statements" beginning on pages 22 and 20, respectively, and elsewhere in this Red Herring Prospectus.*

*Our FY ends on March 31 of each year. Accordingly, all references to a particular FY are to the 12 months ended March 31 of that year.*

### **OVERVIEW**

Our Company was incorporated as "SoftTech Engineers Private Limited" under the provisions of Companies Act 1956 vide Certificate of Incorporation dated June 17, 1996 at Ahmedabad, Gujarat bearing registration no. 04-29960 of 1996-97. The Registered office of our Company was originally situated at 1008, City Center, A.C. Market, Parle Point, Surat. The Registered office of our Company was subsequently shifted to 1<sup>st</sup> Floor, Balaji House, Opposite Telephone Exchange, Bajirao Road, Pune – 411030, Maharashtra pursuant to a special resolution passed by the shareholders of our Company at its Extra-ordinary general meeting held on July 18, 2000 and the order passed by the Company Law Board, Western Region Bench, Mumbai dated October 12, 2001. A certificate of registration of the order of the Company Law Board dated October 12, 2001 confirming transfer of the registered office from State of Gujarat to the State of Maharashtra was issued by the Registrar of Companies, Pune on January 29, 2002. The Registered office of our Company was once again shifted to 259, Butte Patil Complex, Dashbhuja Ganpati, Karve Road, Pune – 411030 pursuant to Board resolution dated May 5, 2003. The Registered office of our Company was once again shifted to 'The Pentagon', Unit No. 5A, Near Satara Road Telephone Exchange, Shahu College Road, Parvati, Pune 411009 pursuant to Board resolution dated September 1, 2005. The name of our Company was subsequently changed to "SoftTech Engineers Limited" pursuant to special resolution passed by the shareholders of our Company at the Extra-ordinary general Meeting held on February 22, 2018 and a fresh certificate of incorporation consequent upon conversion from Private Company to Public Company was issued by the RoC, Pune on March 1, 2018. The corporate identity number of the Company is U30107PN1996PLC016718.

Our Company started in the year 1996 as a software product innovation company which caters to the Architecture, Engineering and Construction ("AEC") verticals. 'Innovation' is the key to any business and our products are innovative across the entire value chain in the construction industry. Our Company is partnering the government in its mission - "Ease of Doing Business" by associating ourselves as a "Smart City Solution Provider" meeting the requirements of the automation in Architecture, Engineering & Construction (AEC) verticals using our expertise in IT. Our Company has been specialising in developing product for e-governance and construction ERP products for smart city projects, municipal corporations,

urban local bodies, development authorities and work organizations. Our Company also offers 2D and 3D CAD based intelligent and machine learning driven technology which eliminates entire human intervention along with providing Cloud Technology enabled products offered as “SaaS”.

Our Company started by launching its first product – STRUDS in the year 1996, which was used for Structural Analysis and Designing. In the year 2000, we launched another product, ESRGSR, which was also used on the same line. With growing acceptance of our products, we received a Venture Capital funding from SIDBI Venture Capital in year 2003. Between the year 1997 – 2011, various updated versions of our product STRUDS were released. Both our products viz., STRUDS and ESR GSR were acquired in year 2011 by CSC (UK) Limited.

Meanwhile, our Company had already launched two new products viz., PWIMS and AutoDCR which have been the flagship products of our Company since its launch in the year 2004 and 2005 respectively.

**PWIMS** provides a complete online solution to Public Works Department (PWD) for e-procurement and work management. **AutoDCR** is a software for automation of building permits approvals which is used by the government authorities in scrutinizing and automating the building permits based on the CAD based building plan which works on an online system and environment. Riding on the success of these products, our Company in year 2010 launched, **OPTICON** which caters to the needs of construction contractors and real estate companies by helping them in cost estimating, construction management and overall automation. Our success has again been entrusted by another VC funding round from Rajasthan Venture Capital Fund in the year 2014 which acquired 26.77% stake in our Company. Our Company is certified and ascertained as an ISO 9001:2008 and ISO 9001:2015 for development and marketing of software products and IT solutions.

### **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 Red Herring 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 except as follows:

- The shareholders approved the proposal to increase in authorized capital from Rs. 4,60,00,000 to Rs. 11,00,00,000 in the Extraordinary General Meeting held on February 03, 2018.
- The shareholders approved and passed resolution on February 03, 2018 to increase the borrowing limits of the company upto Rs. 10000.00 lakhs.
- The shareholders approved and passed resolution on February 22, 2018 for conversion of the company from Private Limited to Public Limited.
- The shareholders approved and passed resolution on March 03, 2018 to authorize the Board of Directors to raise funds by making Initial Public Offering.
- The shareholders approved and passed revised resolution on March 07, 2018 to authorize the Board of Directors to raise funds by making Initial Public Offering

### **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 22 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- General economic and business conditions;
- Changes in laws and regulations that apply to the industry in which operate;
- Competition from existing and new entrants;
- Our Marketing strategy might be unsuccessful; and

- Failure to continue investing in Research & Development (R&D).

## **SIGNIFICANT ACCOUNTING POLICIES**

### **a) Basis of preparation of financial statements**

The Restated Summary Statement of Assets and Liabilities of the Company as at 31 October 2017, 31 March 2017, 2016, 2015, 2014 and 2013, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the period/ years ended 31 October 2017, 31 March 2017, 2016, 2015, 2014 and 2013 and the annexures thereto (herein collectively referred to as 'Restated Financial Information') have been compiled by the management of the Company from the then audited financial statements of the Company for the period/ years ended 31 October 2017, 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 and have been prepared specifically for the purpose of inclusion in the Offer Document to be filed by the Company with the SME portal of National Stock Exchange of India Limited ('NSE')

These aforementioned audited financial statements were prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis. These audited financial statements have been prepared to comply in all material aspects with the Accounting Standards prescribed by the Central Government, Section 133 of the Companies Act, 2013 (the "Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Act/ Companies Act, 1956, as applicable.

The Restated Financial Information have been prepared to comply in all material aspects with the requirements of Section 26(1)(b) of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time).

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of products/services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The aforementioned Restated Financial Information have been prepared in Indian Rupee (INR).

### **b) Use of estimates**

The preparation of financial statements in conformity with GAAP requires that the management of the Company make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the respective financial statements. Examples of such estimates include the useful lives of property, plant and equipment and intangible assets, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

### **c) Depreciation**

The Company provides pro-rata depreciation on additions and disposals made during the year.

Prior to 1 April 2014, depreciation on property, plant and equipment has been provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except in case of service cell system which was depreciated at the rate of 20 percent on straight line method.

With effect from 1 April 2014, pursuant to the notification of Schedule II to the Companies Act, 2013, depreciation on property, plant and equipment is provided under the straight line method over the useful lives of assets as prescribed under Part C of Schedule II to the Companies Act, 2013, except in case of service cell system which is depreciated on a useful life of 5 years on straight line method based on internal technical evaluation done by the management.

### **d) Revenue recognition**

- i. Revenue from services is recognised when the provision of services is complete and there is either no unfulfilled obligations on the Company or unfulfilled obligations are inconsequential or perfunctory and will not affect the customer's final acceptance of the services.
- ii. Revenue from fixed price contracts are recognised based on the milestones achieved as specified in the contracts and for interim stages, until the next milestone is achieved, on the basis of proportionate completion method. Provisions for future estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current estimates.
- iii. Revenue from annual technical service contracts is recognised on a pro-rata basis over the period in which such services are rendered.
- iv. Revenue from sale of traded software licenses is recognised on delivery to the customer.
- v. Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of cost and earnings are classified as unearned revenue.
- vi. Dividend income is recognised when the right to receive the dividend is established.
- vii. Interest income is recognised on time proportion basis.

**e) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment (if any). The cost of a property, plant and equipment comprises its purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The cost of internally generated computer software developed for providing services by integrating it with computer system is recognised as tangible asset. The cost of computer and computer software for providing such services are grouped as 'Service Cell System'.

**f) Foreign currency transactions**

The reporting currency of the Company is Indian Rupee.

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rates prevailing at the date of the transaction.
- ii. Monetary assets and monetary liabilities denominated in foreign currencies are converted at rate of exchange prevailing on the date of the Balance Sheet.
- iii. Exchange differences on settlement/conversion are included in the Statement of Profit and Loss in the period in which they arise.

**g) Investments**

Investments are classified into current investments and non-current investments. Current investments, i.e. investments that are readily realisable and intended to be held for not more than a year are valued at lower of cost and net realisable value. Any reduction in the carrying amount or any reversal of such provision towards reductions are charged or credited to the Statement of Profit and Loss.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

**h) Employee benefits**

**I. Short-term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences etc. are recognised in the period in which the employee renders the related service.

## **II. Post-employment benefits:**

### **i. Defined contribution plans:**

The Company's state governed provident fund and ESIC are its defined contribution plans. The contribution paid/payable under the scheme is recognised during the period in which the employee renders the related service.

### **ii. Defined benefit plans:**

The Company has defined benefit plan in the form of gratuity. The same is determined by actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/ excess, if any, has been provided for/ considered as prepaid.

The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

### **Compensated absences**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the compensated absences is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

### **i) Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.

### **j) Taxes on income**

The provision for current taxation is computed in accordance with the relevant tax regulations. Deferred tax is recognised on timing differences between the accounting and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses under tax laws are recognised and carried forward to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised in future. Where there is no unabsorbed depreciation / carry forward loss, deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

### **k) Intangible assets**

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the asset.
- Its ability to use or sell the asset.
- How the asset will generate future economic benefits.

- The availability of adequate resources to complete the development and to use or sell the asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

During the period of development, the asset is tested for impairment annually. Amortisation of the asset begins when development is complete and the asset is available for use. Internally generated intangible assets are amortised on a straight line basis over the period of four years. Amortisation is recognised in the Statement of Profit and Loss.

Computer Software are amortised on a straight line basis over their estimated useful life of five years.

#### **I) Impairment of assets**

Management evaluates at regular intervals, using external and internal sources, the need for impairment of any asset. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its net realisable value on its eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

#### **m) Provisions and contingent liabilities**

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to their present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### **OVERVIEW OF REVENUE AND EXPENSES**

#### **Revenue and Expenses**

Our revenue and expenses are reported in the following manner:

##### **Total Revenue**

Our Total Revenue comprises of revenue from operations and other income.

*Revenue from operations:* Our revenue from operations comprises of revenue from sale of services of our software products, viz., AutoDCR, PWIMS and Opticon. It also include revenue from trading of allied products.

*Other Income:* Our other income comprises of income interest income on term deposit, exchange rate difference, credit balances written back, dividend income and other miscellaneous income.

#### **Expenses**

Our expenses comprise of cost of material consumed, employee benefit expenses, finance costs, depreciation and amortisation expenses and other expenses.

*Cost of material consumed:* Cost of material consumed primarily consists of cost of HASP Locks.

*Purchase of Stock In Trade:* Our purchase of stock in trade consist of cost of Autodesk Licenses, Microsoft Licenses and other items.

*Employee benefit expense:* Our employee benefit expenses include salary, wages & bonus, contribution to provident and other funds and staff welfare expenses.

*Finance costs:* Our finance costs comprise of interest on secured and unsecured loan, other borrowing costs and interest on delayed payment of statutory dues.

*Depreciation and amortisation expenses:* Depreciation and amortisation expenses comprise of depreciation on tangible fixed assets and amortisation of intangible assets.

*Other expenses:* Our other expenses majorly consist of electricity charges, rent, repairs and maintenance, insurance, rates and taxes, travelling and conveyance, sub-contracting expenses, professional fees for technical consultants, auditor's remuneration, legal and professional expenses, bank charges, sales promotion expenses, printing and stationery, office expenses, postage and telephone, internet charges, brokerage and commission, bad debts written off, investment written off, provision for doubtful debts, donation, loss on foreign currency transactions and translations (net), royalty expenses and miscellaneous expenses

## Our Results of Operations

The following table sets forth select financial data from our restated financial statement of profit and loss for the financial years 2017, 2016, 2015 and for the period ended 31 October, 2017 the components of which are also expressed as a percentage of total revenue for such periods:

(Rs. in Lakhs)

Particulars	For the period ended October 31, 2017	For the Year ended March 31,		
		2017	2016	2015
<b>Total Revenue:</b>				
Revenue from operations	2,348.1 7	4,671.8 3	4,398.9 8	3,525.4 5
As a % of Total Revenue	98.87%	99.16%	99.24%	98.08%
Other income	26.91	39.8	33.55	68.91
As a % of Total Revenue	1.13%	0.84%	0.76%	1.92%
<b>Total Revenue</b>	<b>2,375.0 8</b>	<b>4,711.6 3</b>	<b>4,432.5 3</b>	<b>3,594.3 6</b>
<b>Expenses:</b>				
Cost of material consumed	2.30	9.35	4.75	4.85
As a % of Total Revenue	0.10%	0.20%	0.11%	0.13%
Purchase of stock in trade	714.23 232.46	1,364.8 9	1,156.5 3	
As a % of Total Revenue	9.79%	15.16%	30.79%	32.18%
Employee benefit expenses	484.81	808.8	582.56	331.37
As a % of Total Revenue	20.41%	17.17%	13.14%	9.22%
Finance costs	136.91	237.32	199.99	142.67
As a % of Total Revenue	5.76%	5.04%	4.51%	3.97%
Depreciation and amortization expense	225.15	373.65	362.11	302.98
As a % of Total Revenue	9.48%	7.93%	8.17%	8.43%
Other expenses	1,717.9 925.19	1368.48 0	1,307.4 5	

<b>Particulars</b>	<b>For the period ended October 31, 2017</b>	<b>For the Year ended March 31,</b>		
		<b>2017</b>	<b>2016</b>	<b>2015</b>
As a % of Total Revenue	38.95%	36.46%	30.87%	36.38%
<b>Total Expenses</b>	2,006.82	<b>3,861.25</b>	<b>3,882.78</b>	<b>3,245.85</b>
As a % of Total Revenue	84.49%	81.95%	87.60%	90.30%
<b>Profit before exceptional, extraordinary items and tax</b>		<b>850.38</b>	<b>549.75</b>	<b>348.51</b>
As a % of Total Revenue	15.51%	18.05%	12.40%	9.70%
Exceptional items		-	-	-
<b>Profit before extraordinary items and tax</b>	368.26	<b>850.38</b>	<b>549.75</b>	<b>348.51</b>
As a % of Total Revenue	15.51%	18.05%	12.40%	9.70%
Extraordinary items		-	-	-
<b>Profit before tax</b>	368.26	<b>850.38</b>	<b>549.75</b>	<b>348.51</b>
<b>PBT Margin</b>	15.51%	<b>18.05%</b>	<b>12.40%</b>	<b>9.70%</b>
Tax expense :				
(i) Current tax		264.70	196.84	151.36
		123.03		
(ii) Deferred tax (Credit)	(14.54)	(31.04)	(27.98)	(15.14)
(iii) MAT Credit		-	-	-
<b>Total Tax Expense</b>	<b>108.49</b>	<b>233.66</b>	<b>168.86</b>	<b>136.23</b>
<b>% of total income</b>	<b>4.57%</b>	<b>4.96%</b>	<b>3.81%</b>	<b>3.79%</b>
<b>Profit for the year/ period</b>	<b>259.77</b>	<b>616.72</b>	<b>380.89</b>	<b>212.29</b>
<b>PAT Margin</b>	<b>10.94%</b>	<b>13.09%</b>	<b>8.59%</b>	<b>5.91%</b>

#### *Review of Operation For the Period Ended October 31, 2017.*

##### **Total Revenue**

###### *Revenue from operations*

Our revenue from operations for the period ended October 31, 2017 was Rs 2,348.17 lakhs which was primarily from sale of services of our software products, viz., AutoDCR, PWIMS and Opticon. Apart from this, we also generate revenue from trading of allied products. Our revenue from sale of services for the period ended October 31, 2017 was Rs.2,058.32 Lakhs which was 86.66% of our total revenue and our revenue from trading of allied products was Rs. 281.51 lakhs which is 11.85% of our total revenue. Our service revenue from domestic operations and export operations was Rs.1,946.07 lakhs and Rs. 112.25 Lakhs which is 81.94 % and 4.73 % respectively of our total revenue.

###### *Other income*

Our other income of Rs. 26.91 lakhs for the period ended October 31, 2017 comprised of interest income on term deposit of Rs 19.64 lakhs and other miscellaneous income of Rs 7.27 lakhs. Our other income is 1.13% of our total revenue for the period ended October 31, 2017.

##### **Total Expenses**

Total expenses, excluding tax amounted to Rs. 2,006.82 lakhs for the period ended October 31, 2017 which is 84.49 % of total revenue.

###### *Cost of material consumed*

Cost of material consumed for the period ended October 31, 2017 was Rs. 2.30 lakhs which comprised of consumption of Hasp Lock. Our Cost of material constituted 0.10 % of our total revenue for the period ended October 31, 2017.

#### *Purchase of Stock in trade*

Purchase of stock in trade for the period ended October 31, 2017 was Rs. 232.46 lakhs which majorly comprised of Autodesk license and Microsoft license. Our purchase of stock in trade constituted 9.79 % of our total revenue for the period ended October 31, 2017.

#### *Employee Benefit Expenses*

Our employee benefit expenses for the period ended October 31, 2017 were Rs. 484.81 lakhs which primarily comprised of salary, wages and bonus, directors' remuneration, contribution to provident fund and others and welfare expenses. Our employee's expense constituted 20.41 % of our total revenue for the period ended October 31, 2017.

#### *Finance Cost*

Our Finance costs for the period ended October 31, 2017 were Rs. 136.91 lakhs primarily consisting of interest on secured and unsecured loan, other borrowing costs and other interest cost. Finance cost constituted 5.76 % of our total revenue for the period ended October 31, 2017.

#### *Depreciation and Amortization Expenses*

Our Depreciation and amortisation expenses were Rs. 225.15 lakhs which was 9.48% of total revenue out of which depreciation on fixed assets was Rs. 57.17 lakhs and amortization of intangible assets was Rs. 167.98 lakhs for the period ended October 31, 2017.

#### *Other expenses*

Our other expenses for the period ended October 31, 2017 were Rs. 925.19 lakhs which majorly comprised of professional fee for technical consultant amounting to Rs. 633.16 lakhs, sub-contracting expenses amounting to Rs. 86.08 lakhs, traveling expenses amounting to Rs. 55.55 lakhs and other items forming the remaining part of other expenses are electricity charges, repairs & maintenance- plant & machinery, rent, rates & taxes, travel & conveyance, postage & telephone, insurance, brokerage & commission, bad debts written off, deposits & advances written off, auditors remuneration, legal & professional charges, bank charges, internet charges, office expenses, printing & stationary, sales promotion, royalty, provision for doubtful debts, donations and other miscellaneous expenses. Other expenses constituted 38.95 % of our total revenue for the period ended October 31, 2017.

#### *Profit before Tax*

Our Profit before tax for the period ended October 31, 2017 was Rs. 368.26 lakhs. Our Profit before Tax was 15.51 % of our total revenue for the period ended October 31, 2017.

#### *Tax Expenses*

Our tax expenses for the period ended October 31, 2017 were Rs. 108.40 lakhs out of which the tax for the current period was Rs. 122.94 lakhs, however the tax payable was partially offset by differed tax credit amounting to Rs. 14.54 lakhs. Our tax expense were 4.56 % of our total revenue for the period ended October 31, 2017.

#### *Profit after Tax*

Our profit after tax for the period ended October 31, 2017 was Rs. 259.86 lakhs. Our Profit after Tax was 10.94 % of our total revenue for the period ended October 31, 2017.

### **FINANCIAL YEAR 2016-17 COMPARED WITH FINANCIAL YEAR 2015-16**

#### *Total Revenue*

Our total revenue increased by 6.30% to Rs. 4,711.63 lakhs for the financial year 2016-17 from Rs. 4,432.53 lakhs for the financial year 2015-16 due to the factors described below:

*Revenue from operations:* Our revenue from operations increased by 6.20 % to Rs. 4,671.83 lakhs for the financial year 2016-17 from Rs. 4,398.98 lakhs for the financial year 2015-16 mainly due to increase in our revenue from sale of services by 32.42% to Rs 3777.93 lakhs in the financial year 2016-17 from Rs 2853.15 lakhs. However, the increase was offset by decrease in sale of allied products by Rs. 651.94 lakhs in the financial year 2016-17. The increase in sale of service was due to high value orders. Decrease in sale of allied products was primarily due to management bandwidth being used for high value service revenue and reduced focus on trading business.

*Other income:* Our other income increased by 18.63 % to Rs.39.80 lakhs for the financial year 2016-17 from Rs. 33.55 lakhs for the financial year 2015-16 mainly due to increase in interest income on term deposit by Rs 11.52 lakhs, miscellaneous income by Rs. 2.01 lakhs, dividend income by Rs 0.50 lakhs and credit balance written off by Rs 6.52 lakhs. However, the increase was partially offset by decrease in foreign exchange rate difference gain by Rs. 14.30 lakhs in the financial year 2016-17. Increase in interest income on term deposit was primarily due to increase in FD . These FD are given as bank guarantees for business purposes.

### **Total Expenses**

Our total expenses decreased slightly by 0.55 % to Rs. 3,861.25 lakhs for the financial year 2016-17 from Rs. 3,882.78 lakhs for the financial year 2015-16, due to the factors described below:

*Cost of material consumed:* Cost of material consumed for the year ended March 31, 2017 was Rs. 9.35 lakhs which comprised of consumption of Hasp Lock. Our Cost of material constituted 0.20% of our total revenue for the year ended March 31, 2017.

*Purchase of stock in trade:* Our purchase of stock in trade has decreased by 47.67% to Rs. 714.23 lakhs for the financial year 2016-17 from Rs. 1,364.89 lakhs for the financial year 2015-16 which was in line with our decrease in revenue from sale of allied products.

*Employee benefits expenses:* Our employee benefit expenses increased by 38.84% to Rs. 808.80 lakhs for the financial year 2016-17 from Rs. 582.56 lakhs for the financial year 2015-16. The increase was mainly due to increase in salary, wages & bonus by Rs. 217.31 lakhs, contribution to provident fund and other funds by Rs. 10.38 lakhs. However, this increase was offset by decrease in staff welfare expenses by Rs 1.45 lakhs. Increase in salary and wages was due to increase in number of employees. Our total number of employees increased to 267 in the financial year 2016-17 from 221 in financial year 2015-16.

*Finance costs:* Our finance costs increased by 18.67 % to Rs. 237.32 lakhs for the financial year 2016-17 from Rs. 199.99 lakhs for the financial year 2015-16. Increase in our finance cost was primarily due to increase in our interest expense by Rs 49.16 lakhs. However, this increase was offset by decrease in other borrowing cost by Rs 5.01 lakhs and interest on delay payment of statutory dues by Rs 6.82 lakhs. The increase in our interest cost was primarily due to increase in our borrowings during the financial year 2016-17.

*Depreciation and amortization expense:* Our depreciation and amortization expense increased by 3.19% to Rs. 373.65 lakhs for the financial year 2016-17 from Rs. 362.11 lakhs for the financial year 2015-16. Depreciation on tangible assets in the financial year 2016-17 decreased by Rs. 5.33 lakhs while amortization expense increased by Rs. 16.87 lakhs in the financial year 2016-17.

*Other expenses:* Our other expenses increased by 25.53 % to Rs. 1,717.90 lakhs for the financial year 2016-17 from Rs. 1368.48 lakhs for the financial year 2015-16. The increase was mainly due to increase in professional fee for technical consultants by Rs. 528.14 lakhs, rent by Rs. 7.24 lakhs, donations by Rs. 6.71 lakhs, office expenses by Rs. 5.11 lakhs, electricity charges by Rs. 4.13 lakhs, bank charges by Rs. 3.88 lakhs, postage and telephone by Rs. 2.29 lakhs, travel & conveyance by Rs. 2.21 lakhs, loss on foreign currency transactions and translations by Rs. 2.30 lakhs and brokerage and commission by

Rs. 1.80 lakhs among others. However, the increase was partially offset by decrease in sub-contracting expenses by Rs. 93.16 lakhs, legal & professional charges by Rs. 32.91 lakhs, Investments written off by Rs. 28.65 lakhs, rates & taxes by Rs. 11.69 lakhs, royalty by Rs. 8.33 lakhs, sales promotion expenses by Rs. 5.93 lakhs, printing & stationary by Rs. 5.26 lakhs, other miscellaneous expenses by Rs. 3.71 lakhs and provision for doubtful debts by Rs. 1.60 lakhs in the financial year 2016-17 among others. Increase in professional fees for technical services was due to increase in number of technical consultants to 177 in financial year 2016-17 from 74 in financial year 2015-16 and the decrease in sub-contracting charges was due to decrease in outsourced contracts.

*Profit before tax:* Our profit before tax increased by 54.68 % to Rs. 850.38 lakhs for the financial year 2016-17 from Rs. 549.75 lakhs for the financial year 2015-16. The increase was mainly due to high value service revenue and reduced focus on low margin trading business.

*Tax expenses:* Our tax expenses increased by 38.37 % to Rs. 233.66 lakhs for the financial year 2016-17 from Rs. 168.86 lakhs for the financial year 2015-16 mainly due to increase in our current tax expense by Rs. 67.86 lakhs which was partially offset by increase in deferred tax benefit by Rs. 3.06 lakhs in the financial year 2016-17.

*Profit after tax:* Due to reasons mentioned above, our profit after tax increased by 61.91 % to Rs. 616.72 lakhs for the financial year 2016-17 from Rs. 380.89 lakhs for the financial year 2015-16.

## **FINANCIAL YEAR 2015-16 COMPARED WITH FINANCIAL YEAR 2014-15**

### ***Total Revenue***

Our total revenue increased by 23.32% to Rs. 4,432.53 lakhs for the financial year 2015-16 from Rs. 3594.36 lakhs for the financial year 2014-15 due to the factors described below:

*Revenue from operations:* Our revenue from operations increased by 24.78% to Rs. 4,398.98 lakhs for the financial year 2015-16 from Rs. 3,525.45 lakhs for the financial year 2014-15 which was mainly due to increase in sale of services of our software products by Rs. 599.47 lakhs. Increase in our revenue from sale of software products was primarily due to increase in our domestic operations. Our revenue from domestic operations increased by Rs. 822.48 lakhs. However, the same was offset by decrease in revenue from overseas operations by Rs. 215.36 lakhs. Further, there was an increase in our revenue from sale of allied products by Rs. 274.05 lakhs in the financial year 2015-16. Increase in sale of allied products was due to increase in number of orders.

*Other income:* Our other income decreased by 51.31 % to Rs. 33.55 lakhs for the financial year 2015-16 from Rs. 68.91 lakhs for the financial year 2014-15. The decrease was mainly due to decrease in interest income on term deposit by Rs 16.54 lakhs, decrease in credit written off by Rs. 16.75 lakhs, decrease in dividend income of Rs 0.03 lakhs and decrease in foreign exchange gain by Rs. 2.04 lakhs. Decrease in interest income on term deposit was due to closure of FD during the financial year 2015-16 given as bank guarantee for business purpose.

### ***Total Expenses***

Our total expenses increased by 19.62% to Rs. 3,882.78 lakhs for the financial year 2015-16 from Rs. 3,245.85 lakhs for the financial year 2014-15, due to the factors described below:

*Cost of material consumed:* Cost of material consumed for the year ended March 31, 2016 was Rs.4.75 lakhs which comprised of consumption of Hasp Lock. Our Cost of material constituted 0.11 % of our total revenue for the year ended March 31, 2016.

*Purchase of stock in trade:* Our purchase of stock in trade has increased by 18.02 % to Rs. 1,364.89 lakhs for the financial year 2015-16 from Rs. 1156.53 lakhs for the financial year 2014-15 which was in line with increase in our revenue from sale for allied products. The number of orders for allied products increased to 229 in the financial year 2015-16 from 59 in the financial year 2014-15.

***Employee benefits expense:*** Our employee benefits expense increased by 75.80 % to Rs. 582.56 lakhs for the financial year 2015-16 from Rs. 331.37 lakhs for the financial year 2014-15. The increase was mainly due to increase in salary, wages & bonus by Rs. 244.58 lakhs, staff welfare expenses by Rs. 1.69 lakhs and contribution to provident fund and other funds by Rs. 4.92 lakhs. Increase in salary and wages was due to increase in number of employees as well as increment in salary of exiting employees.

***Finance costs:*** Our finance costs increased by 40.18 % to Rs. 199.99 lakhs for the financial year 2015-16 from Rs. 142.67 lakhs for the financial year 2014-15. The increase was mainly due to increase in our interest expense by Rs 45.15 lakhs, interest on delay payment on statutory dues by Rs. 7.16 lakhs and other borrowing costs by Rs. 5.01 lakhs. The increase in interest cost was primarily due to increase in borrowings during the financial year 2015-16.

***Depreciation and amortization expense:*** Our depreciation and amortization expense increased by 19.52% to Rs. 362.11 lakhs for the financial year 2015-16 from Rs. 302.98 lakhs for the financial year 2014-15. Depreciation in the financial year 2015-16 increased by Rs. 6.43 lakhs while amortization expense increased by Rs. 52.71 lakhs in the financial year 2015-16.

***Other expenses:*** Our other expenses increased by 4.67 % to Rs. 1,368.48 lakhs for the financial year 2015-16 from Rs. 1,307.45 lakhs for the financial year 2014-15. The increase was mainly due to increase in professional fee for technical consultants by Rs. 327.84 lakhs, legal & professional charges by Rs. 66.48 lakhs, other miscellaneous expenses by Rs. 5.32 lakhs, auditors remuneration by Rs. 4.96 lakhs, royalty by Rs. 4.43 lakhs, postage and telephone expenses by Rs. 2.99 lakhs, bank charges by Rs. 2.70 lakhs, office expenses by Rs. 2.44 lakhs, electricity charges by Rs. 2.07 lakhs, internet charges by Rs. 1.29 lakhs and rates and taxes by Rs. 4.37 lakhs in the financial year 2015-16 among others. However, the increase was partially offset by decrease in sub-contracting expenses by Rs. 212.17 lakhs, brokerage & commission by Rs. 31.85 lakhs, provision for doubtful debts by Rs. 55.58 lakhs, travel & conveyance by Rs. 4.38 lakhs, printing & stationary by Rs. 3.11 lakhs, insurance expenses by Rs. 1.50 lakhs and bad debts written off by Rs. 83.19 lakhs in the financial year 2015-16 among others. Increase in professional fees for technical services was due to increase in number of consultants to 74 in the financial year 2015-16 from 38 in the financial year 2014-15 and decrease in sub- contracting charges was due to decrease in outsourced contracts.

***Profit before tax:*** Our profit before tax increased by 57.75 % to Rs. 549.75 lakhs for the financial year 2015-16 from Rs. 348.51 lakhs for the financial year 2014-15. The increase in profit before tax was mainly due to increase in our business operations.

***Tax expenses:*** Our tax expenses increased by 23.96 % to Rs. 168.86 lakhs for the financial year 2015-16 from Rs. 136.22 lakhs for the financial year 2014-15 mainly due to increase in our current tax expense by Rs. 45.48 lakhs and the increase in deferred tax benefit by Rs. 12.84 lakhs.

***Profit after tax:*** Due to reasons mentioned above, our profit after tax increased by 79.42 % to Rs. 380.89 lakhs for the financial year 2015-16 from Rs. 212.29 lakhs for the financial year 2014-15.

### **Other Key Ratios**

The table below summaries key ratios in our Restated Financial Statements for the financial years ended March 31, 2017, 2016, 2015 and for the period ended October 31, 2017:

Particulars	For the period ended October 31, 2017	For the year ended March 31,		
		2017	2016	2015
Fixed Asset Turnover Ratio	18.36	26.02	17.10	10.62
Debt Equity Ratio	0.56	0.57	0.75	0.49
Current Ratio	1.87	1.96	1.81	2.10

*Fixed Asset Turnover Ratio:* This is defined as revenue from operations divided by total fixed assets, based on Restated Financial Statements.

*Debt Equity Ratio:* This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Financial Statements.

*Current Ratio:* This is defined as current assets divided by current liabilities, based on Restated Financial Statements.

### Cash Flow

The table below summaries our cash flows from our Restated Financial Information for the financial years 2017, 2016, 2015 and for the period ended October 31, 2017:

Particulars	For the period ended October 31, 2017	For the year ended March 31,		
		2017	2016	2015
Net cash (used in)/ generated from operating activities	62.10	943.21	(47.74)	217.19
Net cash (used in)/ generated from investing activities	(176.89)	(510.65)	(420.89)	(725.38)
Net cash (used in)/ generated from financing activities	(63.24)	(368.09)	578.87	(1.20)
Net increase/ (decrease) in cash and cash equivalents	(178.03)	64.47	110.25	(509.39)
Cash and Cash Equivalents at the beginning of the period	198.56	134.09	23.84	533.23
Cash and Cash Equivalents at the end of the period	20.53	198.56	134.09	23.84

### Operating Activities

#### Period Ended October 31, 2017

Our net cash generated from operating activities was Rs. 62.10 lakhs for period ended October 31, 2017. Our operating profit before working capital changes was Rs. 702.70 lakhs for the period ended October 31, 2017 which was primarily adjusted by payment of income tax of Rs. 147.87 lakhs, increase in trade receivables by Rs.745.79 lakhs, decrease in loan and advances and other assets by Rs. 31.95 lakhs and increase in trade payables by Rs. 285.01 lakhs.

#### Financial year 2016-17

Our net cash generated from operating activities was Rs. 943.21 lakhs for the financial year 2016-17. Our operating profit before working capital changes was Rs. 1428.89 lakhs for the financial year 2016-

17 which was primarily adjusted by payment of income tax of Rs. 333.83 lakhs, increase in loans & advances and other assets by Rs. 526.95 lakhs, decrease in trade receivables by Rs. 466.80 lakhs and decrease in trade payables by Rs. 91.70 lakhs.

#### *Financial year 2015-16*

Our net cash used from operating activities was Rs. 47.74 lakhs for the financial year 2015-16. Our operating profit before working capital changes was Rs. 1141.90 lakhs for the financial year 2015-16, which was primarily adjusted by payment of income tax of Rs. 190.73 lakhs, increase in loans & advances and other assets by Rs. 1153.31 lakhs, increase in trade receivables by Rs. 402.29 lakhs and increase in trade payables by Rs. 556.69 lakhs.

#### *Financial year 2014-15*

Our net cash generated from operating activities was Rs. 217.19 lakhs for the financial year 2014-15. Our operating profit before working capital changes was Rs. 904.92 lakhs for the financial year 2014-15, which was primarily adjusted by payment of income tax of Rs. 118.96 lakhs, increase in trade receivables by Rs. 570.63 lakhs, increase in loans & advances and other assets by Rs. 238.01 lakhs and increase in trade payables by Rs. 239.87 lakhs.

### ***Investing Activities***

#### *Period Ended October 31, 2017*

Net cash used in investing activities was Rs. 176.89 lakhs for the period ended October 31, 2017. This was primarily on account of purchase of fixed assets amounting to Rs. 281.96 lakhs which was partially offset by proceeds from realisation of fixed deposit amounting to Rs. 103.21 lakhs and interest income of Rs. 1.86 lakhs.

#### *Financial year 2016-17*

Net cash used in investing activities was Rs. 510.65 lakhs for the financial year 2016-17. This was primarily on account of purchase of fixed assets amounting to Rs. 322.33 lakhs and new fixed deposits made amounting to Rs. 190.44 lakhs which was partially offset by interest income and dividend income of Rs 1.62 lakhs and 0.50 lakhs respectively.

#### *Financial year 2015-16*

Net cash used in investing activities was Rs. 420.89 lakhs for the financial year 2015-16. This was primarily on account of purchase of fixed assets amounting to Rs. 419.36 lakhs and new fixed deposits made amounting to Rs. 18.29 lakhs which was partially offset by interest income amounting to Rs. 16.76 lakhs.

#### *Financial year 2014-15*

Net cash used in investing activities was Rs. 725.38 lakhs for the financial year 2014-15. This was primarily on account of purchase of fixed assets amounting to Rs. 585.58 lakhs and new fixed deposits made amounting to Rs. 161.93 lakhs which was partially offset by interest income amounting to Rs. 22.10 lakhs and dividend income of Rs 0.03 lakhs.

### ***Financing Activities***

#### *Period Ended October 31, 2017*

Net cash used in financing activities for period ended October 31, 2017 was Rs. 63.24 lakhs. This was primarily on account of repayment of long term borrowings amounting to Rs. 312.63 lakhs, interest payment amounting to Rs. 129.72 lakhs and dividend paid amounting to Rs. 42.44 lakhs which was partially offset by proceeds from new long term borrowings amounting to Rs. 227.00 lakhs and proceeds from short term borrowings amounting to Rs. 194.55 lakhs.

#### *Financial year 2016-17*

Net cash used in financing activities for the financial year 2016-17 was Rs. 368.09 lakhs. This was primarily on account of repayment of borrowings amounting to Rs. 491.65 lakhs, interest payment amounting to Rs. 239.36 lakhs and dividend paid amounting to Rs. 21.22 lakhs which was partially offset by proceeds from long term borrowings amounting to Rs. 300.00 lakhs and proceeds from short term borrowings amounting to Rs. 84.14 lakhs.

#### *Financial year 2015-16*

Net cash generated from financing activities for the financial year 2015-16 was Rs. 578.88. This was primarily on account of proceeds from long term borrowings amounting to Rs. 871.57 lakhs and proceeds from short term borrowings of Rs. 194.60 lakhs which was partially offset by repayment of long term borrowings amounting to Rs. 268.89 lakhs, interest payment amounting to Rs. 199.76 lakhs and dividend paid of Rs. 18.64 lakhs.

#### *Financial year 2014-15*

Net cash used in financing activities for the financial year 2014-15 was Rs. 1.20 lakhs. This was primarily on account of repayment of long term borrowings amounting to Rs. 234.49 lakhs, interest payment amounting to Rs. 166.99 lakhs, repayment of short term borrowings amounting to Rs. 85.12 lakhs and dividend paid amounting to Rs. 14.61 lakhs which was partially offset by proceeds from issue of shares including share premium amounting to Rs. 500.01 lakhs.

#### ***Financial Indebtedness***

As on October 31, 2017, the total outstanding borrowings of our Company is Rs. 1840.36 lakhs which included long-term borrowings of Rs. 790.87 lakhs, short term borrowings of Rs. 621.39 lakhs and current maturities of long term debt of Rs. 428.10 lakhs. For further details, refer chapter titled “*Financial Indebtedness*” beginning on page 231 of this Draft Red Herring Prospectus.

(Rs. in lakhs)

<b>Particulars</b>	<b>As at October 31, 2017</b>
<b>Secured Loans</b>	
<i>Long Term Borrowings (From Banks and Financial Institutions)</i>	
- Term Loans	490.947
<i>Short Term Borrowings (Working Capital Loan from bank)</i>	621.39
	<b>Sub Total (A)</b>
	<b>1,112.33</b>
<b>Unsecured Loans</b>	
<i>Long Term Borrowings</i>	
- From Related Parties	165.77
- From Banks and Financial institutions	134.16
	<b>Sub Total (B)</b>
	<b>299.93</b>
<b>Current Maturities of Long Term Borrowings (C)</b>	<b>428.10</b>
	<b>Total (A)+(B)+(C)</b>
	<b>1,840.36</b>

In the event, any of our lenders declare an event of default, such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

#### ***Related Party Transactions***

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration payable, loans & advances given and taken and Issue of Equity Shares.

For further details of such related parties under AS18, refer chapter titled “*Financial Statements*” beginning on page 212 of this Red Herring Prospectus.

### ***Contingent Liabilities***

*The following table sets forth our contingent liabilities as of October 31, 2017 and March 31, 2017:*

Particulars	As of October 31, 2017	As of March 31, 2017
<b><u>Claims against the Company not acknowledged as debt</u></b>		
Central Sales Tax Liability for Financial Year 2012-13	38.82	-
Value Added Tax Liability for Financial Year 2012-13	0.31	-
<b><u>Bank Guarantees</u></b>		
	647.18	679.67
<b><u>Other matters for which the Company is contingently liable</u></b>		
Potential non-recoverability of certain receivables	7.62	
<b>Total</b>	<b>693.93</b>	<b>679.67</b>

It is not practical for our Company to estimate the timings of cash outflow, if any in respect of above mentioned bank guarantees. For further details, refer chapter titled “*Financial Statements*” beginning on page 212 of this Red Herring Prospectus.

### ***Off-Balance Sheet Items***

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

### ***Qualitative Disclosure about Market Risk***

#### **Financial Market Risks**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

#### **Interest Rate Risk**

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

#### **Effect of Inflation**

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

#### **Credit Risk**

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

#### **Reservations, Qualifications and Adverse Remarks**

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 212 of this Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

#### **Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution**

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 212 of this Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals.

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

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

### **Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income from continuing operations except as described in chapter titled “*Risk Factors*” beginning on page 22 of this Red Herring Prospectus.

### **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 described in the section titled “*Risk Factors*” beginning on page 22 of this Red Herring Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known**

Other than as described in chapter titled “*Risk Factors*” beginning on page 22 of this Red Herring Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

### **Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices**

Changes in revenue in the last three financial years are as explained in the part “*Financial Year 2016-17 compared with financial year 2015-17 and Financial Year 2015-16 Compared With Financial Year 2014-15*” above.

### **Total Turnover of Each Major Industry Segment in Which the Issuer Operates**

Our business is limited to a single reportable segment.

### **Competitive Conditions**

We have competition with Indian and international manufacturers and our results of operations could be affected by competition in the software development in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and

operations. For details, please refer to the chapter titled “Risk Factors” beginning on page 22 of this Red Herring Prospectus.

### **Increase in income**

Increases in our income are due to the factors described above in this chapter under “*Significant Factors Affecting Our Results of Operations*” and chapter titled “*Risk Factors*” beginning on page 22 of this Red Herring Prospectus.

### **Status of any Publicly Announced New Products or Business Segments**

Except as disclosed elsewhere in the Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

### **Significant Dependence on a Single or Few Customers**

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of Contribution of our Company’s customer *vis a vis* the total revenue from operations respectively as March 31, 2017 and October 31, 2017 are as follows:

Customers		
	As on 31 October 2017	As on 31 March 2017
Top 5 (%)	54.80%	45.56%
Top 10 (%)	74.74%	63.25%

### **Seasonality of Business**

The nature of our business is seasonal. For details, please refer to the chapter titled “Risk Factors” beginning on page 22 of this Red Herring Prospectus.

## STATEMENT OF FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and others for conducting its business. Set forth is a brief summary of our Company's secured and unsecured borrowings together with a brief description of certain significant terms of such financing arrangements.

### **SECURED BORROWINGS**

- 1. Loan of Rs.700.00 Lakhs from Small Industries Development Bank of India as per Sanction letter dated October 16, 2012.**

**(Rs.in Lakhs)**

<b>Bank/Financial Institution</b>	<b>Nature of facility</b>	<b>Sanctioned Amount</b>	<b>Rate Of Interest / Commission</b>	<b>Tenure (Months)</b>	<b>Outstanding as on February 28,2018</b>
Small Industries Development Bank Of India	Term Loan	700.00	15.75%	48	324.07

### **SECURITIES:**

#### **Primary Securities:**

- a) First charge by way of hypothecation on all the movable assets such as servers, computers, hardware and software and other equipment's acquired/to be acquired under the project.
- b) First charge on all the IPR's of the products owned by the company, existing and future. The company shall furnish necessary undertaking in this regard in favour of Small Industries Development Bank Of India.

#### **Collateral Securities:**

- a) Residual/subservient charge on all the movable assets, including current assets created to be in favour of Banks/Financial institutions.
- b) Residual charge over all the immovable assets of the Company which shall be enforceable by SIDBI in case of default in its obligations to SIDBI or liquidation of the Company. The company shall furnish an 'undertaking & irrevocable Power of attorney (POA) in this regard.

#### **Personal Guarantee:**

- a) Vijay Gupta
- b) Priti Gupta

### **Key Restrictive Covenants:-**

**During the currency of bank credit facilities, the unit will not without the bank prior permission on writing do the certain act-**

- a) The borrower shall not make any financial investment or extend loans to its subsidiary/ associate concerns/ promoters/ directors or any other concern/ person without the prior written approval of SIDBI.
- b) SIDBI shall be entitled to nominate one or more director/ nominee on Board/ business of the Borrower in proportion to its shareholding. In any case, SIDBI shall be entitled to nominate at least one director/ nominee on the Board/ business of the borrower at any time during PD is outstanding. Such nominee appointed by SIDBI shall have the right to be part of any committee that may be constituted by the Board/ management of the borrower. Such director/ nominee shall not liable to liable for retirement by rotation.

- c) The Company shall not undertake any new project or diversification without the prior written Approval of Small Industries Development Bank Of India.
- d) The Company shall not undertake any major expansion without the prior written approval of SIDBI.
- e) The Company/ promoters shall not float any new business/ entity without the prior written Approval of Small Industries Development Bank Of India.
- f) The Company/ promoters shall promptly inform Small Industries Development Bank Of India, in case of any investment by way of private equity/ venture capital / convertible instruments from any external investor in the Company.

**2. Loan of Rs. 500.00 Lakhs from Small Industrial Development Bank of India as per Sanction letter dated March 03, 2016.**

(Rs.in Lakhs)

<b>Bank/Financial Institution</b>	<b>Nature of facility</b>	<b>Sanctioned Amount</b>	<b>Rate Of Interest / Commission</b>	<b>Tenure (Months)</b>	<b>Outstanding as on February 28,2018</b>
Small Industrial Development Bank of India	Term Loan	500.00	10.50%	42	382.68

**SECURITIES:**

**Primary Securities:**

- a) First charge by way of hypothecation in favour of SIDBI of all the movable assets of the company, acquired / to be acquired under the project/ scheme including the vables, plant, machinery, machinery spares, tools and accessories, office .equipment's, computers, furniture and fixtures, mobiles, servers, hardware and software and other equipment's both present and future.
- b) First charge by way of hypothecation in favour of SIDBI of all the book-debts of the borrower and other actionable claims arising out of genuine trade transactions of the project. All receivables of the project will be routed through the designated escrow account.

**Collateral Security:**

- a) Pledge of fdr (issued by sidbi / any commercial banks) having face value to the tune of 40% of loan amount i.e Rs. 200 lakh. The fd shall be created stage/phase-wise before Availing each disbursement.
- b) Extension of first charge by way of hypothecation on all the IPR's of the products owned by the Company & Vijay Gupta, both existing and future.
- c) Pledge of fdr (issued by SIDBI / any commercial banks) having face value to the tune of Rs.15 lakh towards dsra.
- d) Lien on contracted future receivables under the project to be deposited in a designated escrow account to be opened for the specific purpose.

**Personal Guarantee:**

- a) Vijay Gupta
- b) Priti Gupta

**Key Restrictive Covenants:-**

**During the currency of bank credit facilities, the unit will not without the bank prior permission on writing do the certain act-**

- a) The company shall agree to submit to SIDBI its duly audited annual accounts and such other reports as may be required by SIDBI from time to time.
- b) The company shall agree not to induct a person who is a director on the board of a company which has been identified as a wilful defaulter in terms of RBI guidelines and that in case such person is found to be on the board of the company, it would take expeditious and effective steps for removal of the person from the board.
- c) The company shall confirm that it shall not avail of any facility / assistance from any other bank / financial institution for purchase of the proposed assets for which SIDBI's assistance has been availed.
- d) The company shall agree that during the currency of the loan(s), shall not create any charge, lien or transfer, dispose of or alienate in any manner the mortgaged/hypothecated assets without prior written permission of SIDBI.
- e) The company shall agree not to make any financial investment or extend loans to its subsidiary/ associate concerns/ promoters/ directors or any other concern/ person without the prior written approval of SIDBI.

**3. Loan of Rs. 245.00 Lakhs from Technology Development Board of India as per Sanction letter dated November 8, 2016.**

(Rs.in Lakhs)					
Bank/Financial Institution	Nature of facility	Sanctioned Amount	Rate Of Interest / Commission	Tenure (Months)	Outstanding as on February 28,2018
Technology Development Board of India	Term Loan	75.00	5%	-	88.55

- Loan assistance of Rs.245 lakh is in three instalments of Rs.75.00 lakh 145.00 lakh and Rs.25.00 lakh.

**SECURITIES:**

**Primary Securities:**

- a) Hypothecation of movables assets of the Company including the assets created under the project, ranking first pari-passu with other charge holders (Banks/FI's), if any.

**Collateral Security:**

- a) Pledge of the three lakh Equity Shares held by Vijay Gupta.

**Personal Guarantee:**

- a) Vijay Gupta
- b) Priti Gupta

**Corporate Guarantee:** M/s. Softtech Engineers Private Limited

**Key Restrictive Covenants:-**

**During the currency of bank credit facilities, the unit will not without the bank prior permission on writing do the certain act-**

- a) Undertake any new project, diversification, modernisation or substantial expansion of the project described herein. The word 'substantial expansion' shall have the same meaning as under the industries (development and regulation) act, 1951.
- b) Declare or pay any dividend to any of its shareholders, whether equity or preference, during any financial year unless the borrower has paid to the board the instalment of principal, interest,

- costs, charges and other monies payable under this loan agreement up to and during that year or has made provisions satisfactory to the board for making such payment.
- c) Undertake or permit any merger, consolidation, re-organization scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstitution.
  - d) Revalue the assets of the project any time during the currency of the loan.
  - e) Transfer, assign, dispose of, pledge, charge, hypothecate, mortgage or create any lien or in any way encumber on all its undertakings, properties and assets acquired by the borrower without the prior approval of the board.
  - f) Declare/issue any debentures, raise any loans except deposits from public, issue equity or preference capital, change its capital structure, create any charge on its assets or give any guarantees. This provision shall not apply to normal trade guarantees or temporary loans and advances granted to stall or contractors or suppliers in the ordinary course of business or to raising of unsecured loans, overdrafts, cash credit or other facilities from banks in the ordinary course of business.

**4. Loan of Rs.1769.00 Lakhs from Axis Bank Limited as per Sanction letter dated February 03, 2018.**

(Rs.in Lakhs)

<b>Bank/Financial Institution</b>	<b>Nature of facility</b>	<b>Sanctioned Amount</b>	<b>Rate Of Interest / Commission</b>	<b>Tenure (Months)</b>	<b>Outstanding as on February 28,2018</b>
Axis Bank Limited	Cash Credit	700.00	10.00%	12	549.68
	Bank Guarantee	900.00	90% of Bank Standard Charges		-
	One Time Bank Guarantee	268.00	-		-

**SECURITIES:**

**Primary Securities:** First Charge by the way of hypothecation over entire current assets of the company, present and future with residual/subservient charge with SIDBI.

**Collateral:** First pari passu charge by way of hypothecation on the entire movable fixed assets (excluding assets financed by SIDBI) of the company, present and future, with TDB. Residual/subservient charge with SIDBI

First charge over all the immovable assets of the company, if any, Residual/subservient charge with SIDBI.

Equitable Mortgage over following properties –

- a) Residential Flat No.503, 5th Floor, B-1 Wing, Gaganvihar Co-op Housing Society Ltd, S.No. 612, Hissa No.7, Plot No.2 to 17, near gangadham , bibwewadi- kondhwa road, bibwewadi , pune.
- b) Flat No.101 , 1st Floor, A Building, lsha Emerald Cooperative Housing Society Ltd, S No.612, Hissa No.2,3,4 & 5 , CTS No.383, Bibwewadi - Kondhwa Road, Near Gangadham, Bibwewadi.
- c) Flat No.1211, 12th Floor, Building No.E-15, IVY Apartment, Got No.690 to 710, Behind JSPM College, Off Nagar Road, Wagholi (Avalwadi), Pune.
- d) Recurring Deposit of Rs.36.00 lacs (Rs.6 lacs per month for 6 months).

- e) Assignment of LIC policies of Rs. 0.64 Cr having surrender value of Rs.0.24 Cr (Oct 2016) in the name of Vijay Gupta.
- f) Recurring Deposit of Rs.42.00lacs (Rs.1.75lacs per month for 24 months).

**Guarantors:**

- a) Vijay Gupta
- b) Priti gupta
- c) Neetesh Singhal (limited to value of property)
- d) Chirag Gupta (limited to value of property)

**Security Provider's**

- a) Vijay Gupta
- b) Priti Gupta
- c) Neetesh Singhal
- d) Chirag Gupta

**Key Restrictive Covenants:-**

**During the currency of bank credit facilities, the unit will not without the bank prior permission on writing do the certain act-**

- a) Enter into any merger/amalgamation etc. Or do a buyback.
- b) Make any restricted payments other than as permitted.
- c) Wind up/liquidate its affair.
- d) Agree/authorise to settle any litigation/arbitration having a material adverse effect.
- e) Change the general nature of its business or undertake any expansion or invest in any other entity.
- f) Permit any change in its ownership/control/management (including by pledge of promoter/sponsor shareholding in the borrower to any third party).
- g) Dispose its assets other than as permitted by the bank in writing; and utilize the facility sanctioned for any purpose other than the end use as permitted.

**UNSECURED BORROWING FROM NBFC/ FINANCIAL INSTITUTIONS**

**1. Loan of Rs. 40.8 Lakhs from Bajaj Finance Limited as per sanction letter dated January 29, 2016.**

(Rs. in Lakhs)

Nature of Facility	Business Loan
Loan Amount	Rs.40.8
Rate of Interest	19.25%
EMI Amount	Rs.0.85
Tenor	48 Months
Amount Outstanding as on February 28, 2018	Rs.29.40

**2. Loan of Rs.40.00 Lakhs from Capital First Limited as per sanction letter dated September 29, 2015.**

(Rs. in Lakhs)

Nature of Facility	Business Loan
Loan Amount	Rs.40.00
Rate of Interest	19.00%
EMI Amount	Rs.2.08
Tenor	36 Months

Amount Outstanding as on February 28, 2018	Rs.6.65
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- 3. Loan of Rs.40.00 Lakhs from Edelweiss Retail Finance Limited as per sanction letter dated October 05, 2015.**

(Rs. in Lakhs)

Nature of Facility	Business Loan
Loan Amount	Rs.40.00 Lakhs
Rate of Interest	17.50%
EMI Amount	Rs.142473.00
Tenor	36 Months
Amount Outstanding as on February 28, 2018	Rs.11,39,784

- 4. Loan of Rs.50.00 Lakhs from HDFC Bank as per sanction letter dated May 03, 2017.**

(Rs. in Lakhs)

Nature of Facility	Business Loan
Loan Amount	Rs.50.00
Rate of Interest	15.00%
EMI Amount	Rs.1.39
Tenor	48 Months
Amount Outstanding as on February 28, 2018	Rs.54.27

- 5. Loan of Rs. 60.00 Lakhs from Kotak Mahindra Bank as per sanction letter dated September 30, 2015.**

(Rs.in Lakhs)

Nature of Facility	Business Loan
Loan Amount	Rs.60.00
Rate of Interest	19.84%
EMI Amount	Rs.3.48
Tenor	36 Months
Amount Outstanding as on February 28, 2018	Rs.4.92

- 6. Loan of Rs. 57.00 Lakhs from Kotak Mahindra Bank as per sanction letter dated May 17, 2017.**

(Rs.in Lakhs)

Nature of Facility	Business Loan
Loan Amount	Rs.57.00
Rate of Interest	15.61%
EMI Amount	Rs.1.97
Tenor	36 Months
Amount Outstanding as on February 28, 2018	Rs.51.37

- 7. Loan of Rs. 50.00 Lakhs from Religare Private Limited as per sanction letter dated October 29, 2015.**

(Rs.in Lakhs)

Nature of Facility	Business Loan
Loan Amount	Rs.50.00
Rate of Interest	19.21%
EMI Amount	Rs.2.71
Tenor	36 Months

Amount Outstanding as on February 28, 2018	Rs.5.99
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8. **Loan of Rs. 40.00 Lakhs from Tata Capital Limited as per sanction letter dated January 29, 2016.**

(Rs.in Lakhs)

Nature of Facility	Business Loan
Loan Amount	Rs.40.00
Rate of Interest	18.65%
EMI Amount	Rs.1.44
Tenor	36 Months
Amount Outstanding as on February 28, 2018	Rs.15.94

9. **Loan of Rs. 75.00 Lakhs from Standard Chartered Bank as per sanction letter dated June 28, 2017.**

(Rs. in Lakhs)

Nature of Facility	Business Loan
Loan Amount	Rs.75.00
Rate of Interest	15.00%
EMI Amount	Rs.2.59
Tenor	36 Months
Amount Outstanding as on February 28, 2018	Rs.72.45

#### UNSECURED LOAN FROM DIRECTORS

The details of unsecured loan are as follows:

(Rs. in Lakhs)

Name of Director	Amount Outstanding as on February 28, 2018
Vijay Gupta	Rs. 260.39
Priti Gupta	Rs. 6.36

## **SECTION VI. LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS**

*The details of outstanding litigation or proceedings relating to our Company and our Directors and our Promoter are described in this section in the manner as detailed below.*

*Except as disclosed below, there are no (i) criminal proceedings involving our Company, our Directors and our Promoter, (ii) actions taken by regulatory or statutory authorities involving our Company, our Directors and our Promoter, (iii) outstanding litigation, suits, or civil prosecutions, proceedings or tax liabilities against/by our Company, our Directors and our Promoter that would have a material adverse effect on our business or the position of our Company, (iv) matters involving our Company, our Directors and our Promoter for economic offences, (v) default and non-payment of statutory dues by our Company, (vi) inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous laws governing companies in India in the last five years preceding the date of this Red Herring Prospectus against our Company, prosecutions filed (whether pending or not), fines imposed or compounding of offences done in the last five years preceding the date of this Red Herring Prospectus against our Company, our Directors and our Promoter (vii) instances of material frauds committed by or against our Company and (viii) all matters filed against our Company, which are in the nature of winding up petitions.*

*Further, except as stated below there are no defaults, non-payment of over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares, default in creation of full security as per terms of issue/other liabilities. Further, except as described below, there are no proceedings initiated or penalties imposed by any authorities against our Company, our Promoter and our Directors and no adverse findings in respect of our Company, our Promoter, our Directors, and the persons/entities connected therewith, as regards compliance with securities laws.*

*Our Board, at its meeting held on March 3, 2018 has determined that the outstanding litigations involving our Company, our Directors and our Promoter shall be considered material if (i) the aggregate amount involved in such litigation individually exceeds Rs. 5,00,000, as per the audited financial statement of our Company ending on March 31, 2017, or (ii) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 5,00,000, as per the audited financial statements of our Company ending on March 31, 2017, if similar litigations put together collectively exceed 5,00,000, or (iii) litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees. Further, dues owed by our Company to small scale undertakings and other creditors, which exceeds 5,00,000 per annum of the Company's total trade payables as at October 31, 2017 ("Material Creditors") have been considered as material dues for the purposes of disclosure in this Red Herring Prospectus.*

### **CONTINGENT LIABILITIES**

As of October 31, 2017, contingent liabilities disclosed in our Restated Financial Statements aggregated Rs. 693.93 Lakhs. Set forth below are our contingent liabilities that had not been provided for as of October 31, 2017:

<b>Nature of Contingent Liability</b>	<b>Rs. in lakhs</b>
Bank Guarantee	647.18

<i>CST Liability</i>	38.82
<i>VAT Liability</i>	0.31
<i>Potential non recoverability of certain receivables</i>	7.62

## A. LITIGATION INVOLVING OUR COMPANY

### I) Litigation against our Company:

a) *Litigation Involving Criminal Laws: NIL*

b) *Litigation Involving Civil Laws:*

1. K. B. Wines Private Limited and Anr Versus SoftTech Engineers Private Limited and Anr [Name changed to SoftTech Engineers Limited w.e.f. March 1, 2018]- Special Civil Suit No. 677 of 2017

K B Wines Private Limited. ("the Plaintiff") has filed a Special Civil Suit bearing No. 677 of 2017 before the Court of Civil Judge, Senior Division at Pune against SoftTech Engineers Limited and our Whole-time Director Mrs. Priti Gupta ("Defendants") for recovery of an amount of Rs. 7, 62, 097 alleged to be payable by the Defendants in respect of (i) amount of service tax due from the Defendants, (ii) amount of difference of escalation of license fee, (iii) amount of interest at the rate of 24% per annum due on the amounts mentioned at point nos. (i) and (ii) above and (iv) legal notice charges. The Plaintiff has alleged that the above amount is payable by the Defendants in respect of office premises bearing Nos. 408 to 410 owned by the Plaintiff and situated at building named "Lotus Court" on Pune Satara Road, Pune 411009 which was used by the Defendant on leave and license basis pursuant to Leave and License agreement dated November 21, 2013. However, our Company has denied the allegations of the Plaintiff and filed its written statement in the matter. The suit is pending further proceedings, hearing and final disposal.

c) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

d) *Other Material Pending Litigations: NIL*

### II) Litigation by our Company:

a) *Litigation Involving Criminal Laws: NIL*

b) *Litigation Involving Civil Laws: NIL*

c) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

d) *Other Material Pending Litigations: NIL*

## B. LITIGATION INVOLVING OUR DIRECTORS

### I) Litigation against our Directors:

a) *Litigation Involving Criminal Laws: NIL*

b) *Litigation Involving Civil Laws:*

1. K. B. Wines Private Limited and Anr Versus SoftTech Engineers Private Limited and Anr [Name changed to SoftTech Engineers Limited w.e.f. March 1, 2018]- Special Civil Suit No. 677 of 2017

For further details in relation to the said matter, please refer to the section "Litigations against our Company" in this chapter.

c) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

d) *Other Material Pending Litigations: NIL*

**II) Litigation by our Directors:**

a) *Litigation Involving Criminal Laws: NIL*

b) *Litigation Involving Civil Laws: NIL*

c) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

d) *Other Material Pending Litigations: NIL*

**C. LITIGATION INVOLVING OUR PROMOTER:**

**I) Litigation against our Promoter:**

a) *Litigation Involving Criminal Laws: NIL*

b) *Litigation Involving Civil Laws: NIL*

c) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

d) *Other Material Pending Litigations: NIL*

**II) Litigation by our Promoter:**

a) *Litigation Involving Criminal Laws: NIL*

b) *Litigation Involving Civil Laws: NIL*

c) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

d) *Other Material Pending Litigations: NIL*

## D. OUTSTANDING TAX DEMAND

The details of the amount of the outstanding tax demands payable by our Company, our Directors and our Promoter as on the date of filing of this Red Herring Prospectus as summarized as below:

### I) DIRECT TAX

Nature of Cases	No. of outstanding cases	Amount to the extent quantifiable (in Rs. Lakhs)
<b>Intimations issued against our Company:</b>		
Income Tax	4	7.42*
TDS	2	0.37**

\* Our Company has made a payment of Rs. 7,600 and Rs. 16,000 on March 24, 2018 towards interest of Rs. 7,505 and Rs. 15,800 payable by our Company in respect of income tax paid by our Company during the Assessment Year 2004-05 and 2005-06 respectively. Our Company has raised a grievance with the Central Processing Centre for Income Tax on March 24, 2018 for reflecting the details of the above payments in the account of our Company on the e-filing portal of Income Tax.

\*\* Our Company has made payment of the above amount to the revenue authorities on March 22, 2018. Our Company is following up with the department for reflecting the payment details in the account of our Company on the portal of Traces (TDS Reconciliation Analysis and Correction Enabling System).

### II) INDIRECT TAX

Nature of Cases	No. of outstanding cases	Amount to the extent quantifiable (in Rs. Lakhs)
<b>Intimations issued against our Company:</b>		
CST	1	38.81*
VAT	1	0.30*

\* Our Company has preferred a CST Appeal bearing No. 61 of 2017-2018 against the demand of CST amounting to Rs. 41,31, 770/- and VAT Appeal bearing no.60 of 2017 on July 20, 2017 against the demand of VAT amounting to Rs. 55,505/- before the Joint Commissioner of Sales Tax, Pune 2 Division on July 20, 2017. The Joint Commissioner has granted stay against the recovery of the amounts mentioned above till the date of decision of the appeal petition or earlier vacation of the stay order.

## E. OUTSTANDING DUES TO CREDITORS OF OUR COMPANY

Based on the Restated Financial Statements as on October 31, 2017, our Company does not owe a sum exceeding 5,00,000 to any undertaking except the following:

Material Creditors	Number of cases	Amount involved (` in lakh)
9	52	827.28

## F. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE

Except as disclosed in the chapter titled “Management’s Discussion and Analysis of Financial Condition

and Results of Operations” beginning on page 213 of this Red Herring Prospectus, in the opinion of our Board, there have not arisen, since October 31, 2017, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies/ certification bodies required for our present business and except as mentioned below, no further approvals are required for carrying on our present business or to undertake the Issue. Unless otherwise stated, these approvals are all valid as on the date of this Red Herring Prospectus.

The objects clause of Memorandum of Association enables our Company to undertake its present business activities. The approvals is required to be obtained by our Company include the following:

### **Approvals for the Offer:**

#### **Corporate Approvals:**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on March 3, 2018, authorized the Offer, subject to the approval of the shareholders and other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the Extra-ordinary General Meeting held on March 7, 2018 authorised the Offer.

#### **In-principle approval from the Stock Exchange:**

We have received in-principle approval from the Stock Exchange for the listing of our Equity Shares pursuant to letter dated April 18, 2018 bearing reference no. NSE/LIST85.

#### **Agreements with NSDL and CDSL:**

1. The Company has entered into an agreement dated March 19, 2018 with the Central Depositories Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case Link Intime India Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated April 06, 2018 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case Link Intime India Private Limited for the dematerialisation of its shares.
3. The Company’s International Securities Identification Number (“ISIN”) is INE728Z01015.

The following tables set out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

#### **Incorporation:**

Licenses/Permissions/Approval s	License / Registration no.	Applicable statutes	Authority	Issue date	Expiry date
Certificate of incorporation	04-29960 of 1996-97	Companies Act, 1956	Registrar of Companies, Gujarat	June 17, 1996	Valid till cancelled
Fresh certificate of incorporation	NA	Companies	Registrar	Januar	Valid till

consequent to the change in the registered office from one state to another. (from Gujarat to Maharashtra).		Act, 1956	of Companies , Pune	July 29, 2002	canceled
Fresh certificate of incorporation consequent upon conversion from private company to public company	NA	Companies Act, 2013	Registrar of Companies , Pune	March 1, 2018	Valid till canceled

**Income Tax:**

Licenses/Permissions/Approvals	License / Registration no.	Applicable statutes	Authority	Issue date	Expiry date
Permanent Account Number (PAN)	AACCS3857L	Income Tax Act, 1961	Income Tax Department	-	Valid till canceled
Tax Deduction Account Number (TAN)	PNES09378F	Income Tax Act, 1961	Income Tax Department	June 5, 2004	Valid till canceled

**Goods & Services Tax:**

Licenses/Permissions/Approvals	License / Registration no.	Applicable statutes	Authority	Issue date	Expiry date
GSTIN	27AACCS3857L1ZW	Goods and Services Act, 2017	Government of India	September 22, 2017	-

**Industrial and Labour laws:**

Licenses/Permissions/Approvals	License / Registration no.	Applicable statutes	Authority	Issue date	Expiry date
Employees' Provident Fund Registration	MH/PUN/34668	Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Assistant Provident Fund Commissioner, Sub Regional Office, Pune	January 20, 2003	-
Employees' State Insurance Registration	33000150500001099	Employees' State Insurance Act, 1948	Sub regional office, Employees' State Insurance Corporation	January 9, 2010	-

Professional Tax Number	99971059164P	Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer	Jun 5, 2012	-
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#### Quality Certifications:

Licenses/Permissions/Approvals	License / Registration no.	Authority	Issue date	Expiry date
EN ISO 9001:2015	20100173002495	TUV Austria Cert GMBH	July 26, 2017	July 25, 2020

#### Miscellaneous:

Licenses/Permissions/Approvals	License / Registration no.	Applicable statutes	Authority	Issue date	Expiry date
Registration Under Maharashtra Shops & Establishment Act, 1948 for the office situated at 5A, The Pentagon, Shahu College Road, Near Pune Satara Road Telephone Exchange, Pune – 411 009.	15310003100705 71	Maharashtra Shops & Establishment Act, 1948	Inspector, Maharashtra Shops & Establishment Act, 1948	January 6, 2016	January 5, 2019
Udyog Aadhaar Number (UAN)	MH26E0008824	The Micro, Small and Medium Enterprises Development Act, 2006	Ministry of Micro, Small & Medium Enterprises, Government of India	June 18, 2016	-
Certificate Of Importer-Exporter Code (IEC) number	3197032501	Foreign Trade (Regulation) Rules, 1993	Jt. Director General of Foreign Trade, Pune	February 27, 1998	Valid till cancelled

#### Approvals in relation to Trademarks:

Logo	Date of registration	Date of application	Trade Mark Number	Class	Current status	Valid upto
 PWIMS	April 12, 2011	April 15, 2010	1950371	42	Registered	April 15, 2020
OPTICON	May 11, 2005	October 28, 2002	1146797	9	Registered	October 28, 2022

	October 21, 2005	March 18, 2004	1273493	9	Registered	March 18, 2024
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**Approvals in relation to Copyrights:**

Title of the work	Registration number	Class and description of work	Whether work is published or unpublished	Date of application	Valid upto
Opticon	SW-2179/2005	Software	Published	March 24, 2004	March 23, 2064
PWIMS	SW-7625/2014	Computer Software work	Unpublished	February 5, 2013	February 4, 2073
QE PRO	SW-2026/2005	Software	Published	March 24, 2004	March 23, 2064

**Licenses in relation to Trademark and Copyright**

Logo/Title	Date of application/registration	Trade Mark/ Copyright registration number Number	Class	Current status	Valid upto
 AutoDCR	September 1, 2005	1381556	9	Assigned to SIDBI*	September 1, 2025
Auto DCR	November 10, 2009	SW-4508/2010	Software	Assigned to SIDBI*	November 9, 2069

**\*Note:** Our Promoter has given a written undertaking dated March 28, 2018 to our Company to transfer the above copyright and trademark by executing a fresh deed of assignment in favour of our Company as and when the loan has been repaid in full by our Company and the above mentioned copyright and trademark are assigned back to our Promoter.

**Pending Approvals**

Our Company has filed an application for patent having application number 2936/MUM/2009 on December 21, 2009 under The Patents Act, 1970 with the Patent Office, Government of India.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Offer**

The Offer has been authorized pursuant to the resolution passed by the Board of Directors dated March 3, 2018, and by the shareholders pursuant to the special resolution passed in an Extra Ordinary General Meeting dated March 7, 2018.

The Selling Shareholder have authorized the Offer as follows:

<b>Sr. No.</b>	<b>Name of the Selling Shareholder</b>	<b>Date of Authorisation Letter</b>	<b>No. of Equity Shares offered for sale</b>
1.	Rajasthan Trustee Company Private Limited. A/C SME Tech Fund RVCF Trust II	March 28, 2018	Upto 4,80,000
<b>Total</b>			<b>4,80,000</b>

The Selling Shareholder have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer. The Equity Shares being offered by the Selling Shareholder have been held for a period of at least one year prior to the date of filing of the Red Herring Prospectus and, hence, eligible for being offered for sale in the Offer in terms of the SEBI (ICDR) Regulations.

Our Company has obtained in-principle approval from the National Stock Exchange of India for using its name in the Red Herring Prospectus/Red Herring Prospectus and Prospectus and pursuant to an in-principle letter dated April 18, 2018, the National Stock Exchange of India is the Designated Stock Exchange.

### **Prohibition by SEBI or other governmental authorities**

Our Company, our Promoter, the Selling Shareholder, members of the Promoter Group, our Directors, Group Entities or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

The listing of any securities of our Company has never been refused at any time by any of the Stock Exchanges in India or abroad.

### **Prohibition by RBI**

Neither our Company, Selling shareholder, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter titled "*Outstanding Litigations and Material Development*" on page 238 of this Red Herring Prospectus.

### **Eligibility of the Offer**

Our Company is not ineligible in terms of Regulations 4(2) of SEBI (ICDR) Regulations for this Offer.

Our Company is an "Unlisted Company" in terms of the SEBI (ICDR) Regulations; and this Offer is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Offer in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital will not exceed Rs. 10 crore, and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of NATIONAL STOCK EXCHANGE OF INDIA").

### **We confirm that:**

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Offer is 100% underwritten and that the Book Running Lead Manager to the Offer shall underwrite minimum 15% of the Total Offer Size. For further details pertaining to said underwriting please refer to chapter titled "*General Information – Underwriting*" beginning on page 61 of this Red Herring Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Offer shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the SEBI (ICDR) Regulations, the Companies Act 2013 and other applicable laws.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any of offer document with SEBI nor has SEBI issued any observations on our offer document. Also, we shall ensure that our Book Running Lead Manager submits a copy of the Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus with the Stock Exchange and the Registrar of Companies.

In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, BRLM shall ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of National Stock Exchange of India. For further details on the arrangement of market making, see chapter titled "*General Information – Details of the Market Making Arrangements for this Offer*" beginning on page 61 of this Red Herring Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an 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/s.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Offer.

Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. Our Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated March 19, 2018 and National Securities Depository Limited dated April 06, 2018 for establishing connectivity.

Our Company has a website i.e. [www.softtech-engr.com](http://www.softtech-engr.com).

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.

No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.

There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to National Stock Exchange of India for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the EMERGE Platform of the National Stock Exchange of India.

We confirm that there are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.

### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Offer. Further, our Company has not been formed by the conversion of a partnership firm into a company.

### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGERS, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED AND SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF**

**CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED AND SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING 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 THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, 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 ISSUER, WE CONFIRM THAT:**
  - A. THE DRAFT RED HERRING 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 RED HERRING 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, 2013/ COMPANIES ACT, 1956, 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 RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE**

**UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**

5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS 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 PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING 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 RED HERRING PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUBREGULATION (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 THE BOARD. 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 OFFER. – NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER 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 SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.

10. WE CERTIFY ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF 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 RED HERRING PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD 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.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER's EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT**

**BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING 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 DRAFT RED HERRING 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 RED HERRING 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.

*Note:*

*The filing of this Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers any irregularities or lapses in the Red Herring Prospectus.*

*All legal requirements pertaining to the Offer will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Maharashtra, Pune in terms of sections 26, 30, 32 and 33 of the Companies Act, 2013.*

**Disclaimer from our Company, Selling Shareholder, Director and the Book Running Lead Manager**

Our Company, Selling Shareholder and the Book Running Lead Managers accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Book Running Lead Managers accepts no responsibility, save to the limited extent as provided in the Offer Agreement entered between the Book Running Lead Managers and our Company on March 28, 2018 and the Underwriting Agreement dated April 17, 2018 entered into between the Underwriters and our Company and the Market Making Agreement dated April 17, 2018 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Book Running Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

### **Caution**

Applicants who apply in the Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

### **Price Information and the Track Record of the Past Issues handled by the Book Running Lead Manager**

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited and Small Industries Development Bank of India (SIDBI), as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer —Annexure A to this Red Herring Prospectus and the website of Book Running Lead Manager at [www.pantomathgroup.com](http://www.pantomathgroup.com) and [www.sidbi.in](http://www.sidbi.in).

### **Disclaimer in respect of Jurisdiction**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, 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 under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies

Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, Alternative Investment Fund, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of 2,500 lakhs, pension fund with minimum corpus of 2,500 lakhs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Red Herring 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 Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with National Stock Exchange of India for its observations and National Stock Exchange of India shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Red Herring Prospectus in each jurisdiction, including India.

#### **Disclaimer Clause of the Emerge Platform of National Stock Exchange of India**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as National Stock Exchange of India). National Stock Exchange of India has given vide its letter NSE/LIST/85 dated April 18, 2018 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by National Stock Exchange of India should not in any way be deemed or construed that the offer document has been cleared or approved by National Stock Exchange of India; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### **Filing**

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

This Draft Red Herring Prospectus shall not be filed with the SEBI nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Red Herring Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India for their record purpose only.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Pune, Maharashtra.

### **Listing**

The Equity Shares of our Company are proposed to be listed on EMERGE Platform of National Stock Exchange of India. Our Company has obtained in-principle approval from National Stock Exchange of India by way of its letter dated in-principle for listing of equity shares on EMERGE Platform of National Stock Exchange of India.

National Stock Exchange of India will be 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 National Stock Exchange of India, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight (8) 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) days, be liable to repay such application money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of National Stock Exchange of India mentioned above are taken within Six (6) Working Days of the Offer Closing Date.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –*

- a. makes or 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.”*

d.

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## **Consents**

Consents in writing of (a) Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, our Peer Review Auditor, our Internal Auditor, our Banker(s) to the Company; (b) Book Running Lead Manager, Registrar to the Offer, Banker(s) to the Offer, Legal Advisor to the Offer, Underwriter(s) to the Offer and Market Maker to the Offer to act in their respective capacities shall be obtained as required as required under Section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. Walker Chandiok and Co LLP, Chartered Accountants, Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on "Statement of Tax Benefits" relating to the possible tax benefits and restated financial statements as included in this Red Herring Prospectus/Red Herring Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Red Herring Prospectus.

## **Experts Opinion**

Except for the reports in the section titled "*Financial information of the Company*" and "*Statement of Tax Benefits*" beginning on page 212 and page 130 of this Red Herring Prospectus from the Peer Review Auditors respectively, our Company has not obtained any expert opinions.

## **Expenses of the Offer**

The estimated Offer expenses include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Offer, refer to chapter — "Objects of the Offer" beginning on 100 of this Red Herring Prospectus. :

## **Fees, Brokerage and Selling Commission payable to the Book Running Lead Manager**

The total fees payable to the Book Running Lead Manager will be as per the (i) Offer Agreement dated March 28, 2018 with the Book Running Lead Managers (ii) the Underwriting Agreement dated April 17, 2018 with Underwriter and (iii) the Market Making Agreement dated April 17, 2018 with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Red Herring Prospectus until the Offer Closing Date.

## **Fees Payable to the Registrar to the Offer**

The fees payable to the Registrar to the Offer will be as per the agreement between our Company and

the Registrar to the Offer dated March 28, 2018 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to make refunds in any of the modes described in this Red Herring Prospectus or send allotment advice by registered post/speed post.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, and Advertisers, etc. will be as per the terms of their respective engagement letters, if any.

### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue since incorporation and is an "unlisted issuer" in terms of the SEBI (ICDR) Regulations.

### **Previous issues of Equity Shares otherwise than for cash**

For details, see chapter titled "*Capital Structure*" beginning on page 75 of this Red Herring Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Offer**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

### **Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 /Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

### **Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company**

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, data regarding promise versus performance is not applicable to us. None of the Group Companies has made public issue of equity shares during the period of ten years immediately preceding the date of filing draft offer document with the National Stock Exchange of India.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Red Herring Prospectus.

### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Red Herring Prospectus.

### **Option to Subscribe**

Equity Shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.

### **Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

### **Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Offer, our Company provides for retention of records with the Registrar to the Offer for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicants, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Aishwarya Patwardhan, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:

**Aishwarya Patwardhan**  
**Company Secretary and Compliance Officer**  
SoftTech Engineering Limited,

The Pentagon Unit No. 5A  
Near Satara Road, Telephone Exchange,  
Shahu College Road, Parvati,  
Pune, 411009 - India  
CIN: U30107PN1996PLC016718  
Website: [www.softtech-engr.com](http://www.softtech-engr.com)  
Email id: [aishwaryap@softtech-engr.com](mailto:aishwaryap@softtech-engr.com)  
Tel. No: 020-24218747  
Facsimile: 020-24218747

Our Board by a resolution on March 03, 2018 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee. For details, see chapter titled "*Our Management*" beginning on page 184 of this Red Herring Prospectus.

Investors 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 allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus. Disposal of investor grievances by listed companies under the same management as our Company. We do not have any listed company under the same management.

### **Change in Auditors during the last three (3) years**

Pursuant to resignation of M/s. P.G. Bhagwat, Chartered Accountants, having Firm Registration No. 101118W vide resignation letter dated November 6, 2015, our Company appointed M/s. Walker Chandiok & Co. LLP, Chartered Accountants having Firm Registration No. 001076N/N500013 by a resolution passed by the shareholders at the EGM held on December 4, 2015 to fill the casual vacancy created by the resignation of our erstwhile Statutory Auditors.

### **Capitalization of Reserves or Profits**

Except as disclosed in the chapter titled "*Capital Structure*" beginning on page 75 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

### **Revaluation of Assets**

Our Company has not revalued its assets in five (5) years preceding the date of this Red Herring Prospectus.

### **Tax Implications**

Applicants who are allotted Equity Shares in the Offer will be subject to capital gains tax on any resale

of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, see chapter titled "*Statement of Tax Benefits*" beginning on page 130 of this Red Herring Prospectus.

### **Purchase of Property**

Other than as disclosed in the chapter titled "*Our Business*" beginning on page 151 of this Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Offer or the purchase or acquisition of which has not been completed on the date of the Red Herring Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Offer, or that the Offer was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Red Herring Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

### **Servicing Behavior**

Except as stated in this Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in the chapter titled "*Our Management*" beginning on page 184 and "*Related Party Transactions*" beginning on page 210 of this Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## SECTION VII. OFFER RELATED INFORMATION

### OFFER STRUCTURE

This Offer is being made in terms of Regulation 106M (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**", in this case being the EMERGE Platform of National Stock Exchange of India). For further details regarding the salient features and terms of such this Offer, please refer to chapters titled "**Terms of the Offer**" and "**Offer Procedure**" beginning on pages 266 and 273 respectively of this Red Herring Prospectus.

#### **Present Offer Structure**

The present Offer of up-to 28,51,200 Equity Shares for a cash at a price of Rs. [●] (including share premium of Rs. [●]) aggregating up-to Rs. [●] by our Company. The offer comprise of Fresh Issue of up-to 23,71,200 Equity Share aggregating up-to Rs. [●] by our Company and Offer for Sale of up-to 4,80,000 Equity Share aggregating up-to Rs. [●] by the Selling Shareholder. The Offer comprises a net offer to the public of up-to 27,02,200 Equity shares (the "**Net Offer**"). The Offer will constitute [●] % of the post- Offer paid-up Equity Share capital of our Company and the Net Offer will constitute [●] % of the post- Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

<b>Particulars of the Offer</b>	<b>Market Maker</b>	<b>QIBs</b>	<b>Non Institutional Bidders</b>	<b>Retail Individual Bidders</b>
<b>Number of Equity Shares available for allocation/ Allotment (*)</b>	1,44,000 Equity Shares	[●] Equity Shares or Net Offer less allocation to Non Institutional Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non Institutional Bidders.
<b>Percentage of Offer Size available for allocation</b>	5.05 % of the Offer Size	49.94% of the Net Offer Size shall be available for allocation to QIBs. However, upto 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 15% of the Net Offer.	Not less than 35% of the Net Offer.
<b>Basis Allotment/ Allocation if</b>	Firm Allotment Proportionate	Proportionate as follows: a) [●] Equity Shares	Proportionate	On a proportionate basis subject to

<b>Particulars of the Offer</b>	<b>Market Maker</b>	<b>QIBs</b>	<b>Non Institutional Bidders</b>	<b>Retail Individual Bidders</b>
<b>respective category is oversubscribed</b>		constituting 5% of the Net QIB Portion, shall be available for allocation on a proportionate basis to Mutual Funds; (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.		Minimum Lot as explained in the section titled “Offer Procedure – Part B – General Information Document for Investing in Public Offer –Allotment Procedure and Basis of Allotment” on page 313.
<b>Mode of Application</b>	Through ASBA Process Only	Through ASBA Process Only	Through ASBA Process Only	Through ASBA Process Only
<b>Mode of Allotment</b>	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
<b>Minimum Bid</b>	1,44,000 Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares thereafter after such that the Bid Amount exceeds Rs.2,00,000.	Such number of Equity Shares that the Bid Amount exceeds Rs.2,00,000 and in multiples of [●]	[●] Equity Shares in multiples of [●] Equity Shares thereafter
<b>Maximum Bid</b>	1,44,000 Equity Shares	Such number of Equity Shares not exceeding the size of the Net Offer, subject to the regulations as applicable to the Bidder	Such number of Equity Shares not Exceeding the size of the Net Offer, subject to the regulations as applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid amount does not exceed Rs.2,00,000.
<b>Bid Lot</b>	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
<b>Trading Lot</b>	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
<b>Terms of Payment</b>	The entire Bid Amount shall be blocked at the time of submission of Bid cum Application Form to the members of the Syndicate, except for Anchor Investors. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the Bid cum Application Form.			

*Under-subscription, if any, in any category, other than the QIB category, would be allowed to be met with spill over from the other categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer to the public.*

In case of joint Bids, the Bid-cum-Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid-cum-Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

*Such number of Equity Shares representing 49.94 % of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Offer Price.*

This Offer is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. For further details please refer to chapter titled "*Offer Structure*" beginning on page 262 of this Red Herring Prospectus.

### **Withdrawal of the Offer**

Our Company, the Selling Shareholder in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Offer at any time before the Bid/Offer Opening Date, without assigning any reason thereof.

Notwithstanding the foregoing, the Offer is also subject to obtaining the following:

- (i) The final listing and trading approvals of National Stock Exchange of India for listing of Equity Shares Issued/Offered through this Offer on its EMERGE Platform of National Stock Exchange of India, which the Company shall apply for after Allotment;
- (ii) The final RoC approval of the Prospectus after it is filed with the RoC.
- (iii) In case, our Company wishes to withdraw the Offer after Bid/Offer Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Offer. The public notice will appear in two (2) widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The BRLMs, 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. The notice of withdrawal will be issued in the same newspapers where the pre- Offer advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Offer after the Bid/ Offer Closing Date and subsequently decides to undertake a public Issuing of Equity Shares, our Company will file a fresh Issue/ Offer document with the stock exchange where the Equity Shares may be proposed to be listed.

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

### **Bid Programme**

**BID OPENED ON:**

**Friday, April 27, 2018**

**BID CLOSED ON****Thursday, May 03, 2018**

An indicative timetable in respect of the Offer is set out below:

<b>Event</b>	<b>Indicative Date</b>
Bid/Offer Closing Date	Thursday, May 03, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	Tuesday, May 08, 2018
Initiation of refunds/un-blocking of ASBA Accounts	On or Before Wednesday, May 09, 2018
Credit of Equity Shares to demat accounts of Allotees	On or Before Thursday, May 10, 2018
Commencement of trading of the Equity Shares on the Stock Exchanges	On or Before Friday May 11, 2018

**The above timetable is indicative and does not constitute any obligation on our Company or the BRLMs. While 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 Exchanges are taken within 6 (six) Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.**

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Application Centers mentioned in the Application Form. On the Offer Closing Date when applications will be accepted only between 10.00 a.m. to 4.00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Offer Closing Date, Applicants are advised to submit their applications one day prior to the Offer Closing Date and, in any case, not later than 1.00 p.m. IST on the Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. 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 Issuing, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Offer.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## **TERMS OF THE OFFER**

The Equity Shares being issued and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice 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, rules, 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 FIPB, the Stock Exchanges, the RBI, RoC 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, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Offer. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Offer and Depository Participants have also been authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Offer and DPs as and when the same is made available.

## **RANKING OF EQUITY SHARES**

The Equity Shares being issued and transferred in the Offer shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allotees upon receipt of Allotment of Equity Shares under this Offer will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the chapter titled *Main Provisions of Articles of Association* beginning on page 329 of this Red Herring Prospectus.

## **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled *Dividend Policy* on page 211 of this Red Herring Prospectus.

## **FACE VALUE AND OFFER PRICE PER SHARE**

The face value of the Equity Shares is Rs. 10 each and the Offer Price at the lower end of Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in

consultation with the BRLM and advertised in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard and Pune edition of the Marathi newspaper Prabhat, each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

### **COMPLIANCE WITH SEBI ICDR REGULATIONS**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the chapter titled *Main Provisions of Articles of Association* beginning on page 329 of this Red Herring Prospectus.

### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated April 06, 2018 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated March 19, 2018 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants.

## **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, 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 blocked by the SCSBs shall be unblocked within 4 working days of closure of Offer.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Maharashtra, 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 issued 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 issued 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 issues 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## **JOINT HOLDER**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

## **NOMINATION FACILITY TO BIDDERS**

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a

period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

### **WITHDRAWAL OF THE OFFER**

Our Company and Selling Shareholder in consultation with the BRLM, reserve the right to not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLM through, the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

### **BID/ OFFER OPENING DATE**

Bid / Offer Opening Date	Friday, April 27, 2018
Bid / Offer Closing Date	Thursday, May 03, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	Tuesday, May 08, 2018
Initiation of Refunds	On or Before Wednesday, May 09, 2018
Credit of Equity Shares to demat accounts of Allotees	On or Before Thursday, May 10, 2018
Commencement of trading of the Equity Shares on the Stock Exchange	On or Before Friday May 11, 2018

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. 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 6 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band 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.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Bid/Offer Period. On the Bid/Offer Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total

number of Bids received up to the closure of timings and reported by the BRLM to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids 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 Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Offer Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Time.

Bidders are cautioned that in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issue, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only on Business Days. Neither our Company nor the BRLM is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Red Herring Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Offer Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Offer Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the BRLM and at the terminals of the Syndicate Member.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Offer shall ask for rectified data.

#### **MINIMUM SUBSCRIPTION**

This Offer is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Offer

Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P(1) of the SEBI (ICDR) Regulations, our Offer shall be 100% underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 106(Q) 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 Rs.1,00,000/- (Rupees One Lakh) per application.

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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **MIGRATION TO MAIN BOARD**

Our company may migrate to the Main board of National Stock Exchange of India Limited from SME Exchange on a later date subject to the following:

*· If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs 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 other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to National Stock Exchange of India Limited 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 Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

### **MARKET MAKING**

The shares issued and transferred through this Offer are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on EMERGE National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled "General Information" beginning on page 61 of this Red Herring Prospectus.

### **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

The trading of the equity shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on EMERGE platform of National Stock Exchange of India Limited.

## **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS OFFER**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

## **OPTION TO RECEIVE SECURITIES IN DEMATERIALISED FORM**

In accordance with the SEBI (ICDR) Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall 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.

## **APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Offer Equity Shares and Promoter's minimum contribution in the Offer as detailed in the chapter titled "*Capital Structure*" beginning on page 75 of this Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the chapter titled "*Main Provisions of the Articles of Association*" beginning on page 329 of this Red Herring Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM 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 the Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## **OFFER PROCEDURE**

*All Bidders should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (General Information Document), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 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 reflect the enactments and regulations, including Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

*Our Company, the Selling Shareholders and the BRLMs 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 Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids 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 Red Herring Prospectus*

*Please note that all the Bidders can participate in the Offer only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.*

*Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (DP), Registrar to an Offer and Share Transfer Agent (RTA) that have been notified by National Stock Exchange of India Limited to act as intermediaries for submitting Bid cum Application Forms are provided on <http://www.nseindia.com> For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned National Stock Exchange of India website.*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application forms.*

## **BOOK BUILDING PROCEDURE**

The Offer is being made through the Book Building Process wherein 49.94% of the Net Offer shall be available for allocation to Qualified Institutional Buyers on a proportionate basis. Out of the QIB Portion 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The

balance shall be available for Allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Offer Price. Further, 15 % of the Offer would be available for allocation to Non-Institutional Bidders and 35 % of the Offer would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Offer Price.

Subject to the valid Bids 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 Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Stock Exchange.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. The Bid cum Application Forms which do not have the details of the Bidder'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 Bid cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders 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 dematerialized segment of the Stock Exchanges.

#### **BID CUM APPLICATION FORM:**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the National Stock Exchange of India ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Offer Opening Date.

All Bidders shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid Cum Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum Application Form*</b>
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 Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Red Herring Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- i) an SCSB, with whom the bank account to be blocked, is maintained
- ii) a syndicate member (or sub-syndicate member)
- iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v) a registrar to an offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

#### **WHO CAN BID?**

In addition to the category of Bidders set forth under – *General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Offer*", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates 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.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

a) ***For Retail Individual Bidders:***

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

b) ***For Other Bidders (Non-Institutional Bidders and QIBs):***

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Offer Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Offer shall not be made public during the Offer Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

#### **INFORMATION FOR THE BIDDERS:**

- a) Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Offer Opening Date.
- b) Our Company shall, after registering the Red Herring 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 Book Running Lead Manager 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) The Price Band as decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager is Rs. [●] per Equity Share. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five

Working Days before the Offer Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.

- d) This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the Bid cum application forms available on the websites of the stock exchanges.
- e) The Offer Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Offer Period shall be extended, by an additional three Working Days, subject to the total Offer Period not exceeding ten Working Days. The revised Price Band and Offer Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

#### **OPTION TO SUBSCRIBE IN THE OFFER:**

- 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.**

A single Bid cum 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

#### **AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM:**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and National Stock Exchange of India ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Offer Opening Date.

#### **APPLICATIONS BY ELIGIBLE NRI'S:**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and National Stock Exchange of India ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Offer Opening Date.

#### **PARTICIPATION BY ASSOCIATED/AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS:**

The BRLMs and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **APPLICATIONS BY ELIGIBLE NRI'S:**

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLMs and the Designated Intermediaries. Eligible NRI Bidders bidding 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 Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

#### **BIDS BY FPI INCLUDING FII'S:**

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 Bids 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 Bid cum Application Form, failing which our Company reserves the right to reject any Bid 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 Bids 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 Bid cum Application Form, failing which our Company reserves the right to reject any Bid 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% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA

Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% 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 Bid cum Application Form for Non-Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

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 AIF's.

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 Selling Shareholder or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

### **BIDS BY MUTUAL FUNDS:**

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 index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids 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 Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Offer only through the ASBA process.

### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this

Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids 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 Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids 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 Bid cum Application Form
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, the Book Running Lead Managers and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid 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 the Red Herring Prospectus.**

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, the Book Running Lead Managers and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid 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 the Red Herring Prospectus.**

#### **BIDS BY BANKING COMPANY:**

In case of Bids 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 Bid cum Application Form, failing which our Company and the Selling Shareholder reserve the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (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. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt by any of the methods prescribed by RBI, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a) (v) (c) (i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB'S:**

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 Bid cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE OFFER:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders 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 Bidder

## **TERMS OF PAYMENT:**

### **Terms of Payment**

The entire Offer price of Rs. [●] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the offer shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Offer Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Offer Account shall be unblocked by the SCSBs.

The Bidders 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, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

- c) **Payment mechanism for Bidders**
- d) **The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation 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 bid cum application by the ASBA Applicant, as the case may be.**
- e) **Please note that pursuant to the applicability of the directions offered by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Offer shall mandatorily make use of ASBA facility.**

## **SIGNING OF UNDERWRITTING AGREEMENT AND FILING OF PROSPECTUS WITH ROC:**

- a) Our Company has entered into an Underwriting agreement dated April 17, 2018
- b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act.

## **PRE-OFFER ADVERTISEMENT:**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper, and (iii) Regional Newspaper each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date and the Bid 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 final derived Offer Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **GENERAL INSTRUCTIONS:**

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum 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 Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (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) Bids 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 Bidders 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;

13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. 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;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum 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 Bid cum Application Form;
19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization 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 at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer 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 Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on

- Bid cum Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
  15. Do not Bid 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);
  16. Do not submit more than five Bid cum Application Forms per ASBA Account;
- f) **The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS:**

- a) Our Company and the Selling Shareholders, in consultation with the BRLMs, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company and the Selling Shareholders, in consultation with the BRLMs, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **COMMUNICATIONS:**

**All future communications in connection with Bids made in this Offer should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.**

Bidders 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, etc.

#### **IMPERSONATION:**

*Attention of the Bidders 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,**
- d) ***shall be liable for action under Section 447.”***

#### **UNDERTAKING BY THE 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 National Stock Exchange of India where the Equity Shares are proposed to be listed within six working days from Offer Closure 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 Offer by our Company;
- 4) That our Promoter’s contribution in full has already been brought in;
- 5) That no further offer of Equity Shares shall be made till the Equity Shares offered 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 Bid/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 days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 8) If our Company withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer;
- 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

### **UNDERTAKING BY THE SELLING SHAREHOLDER:**

Each Selling Shareholder severally undertakes that:

- 1) it shall deposit its Equity Shares offered in the Offer in an escrow account opened with the Link Intime India Private Limited at least one Working Day prior to the Bid/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 Exchanges;
- 3) it shall take all steps and provide all assistance to our Company and the BRLMs, as may be required for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date of the Offer, failing which it shall forthwith repay without interest all monies received from Bidders to the extent of the Offered Shares. In case of delay, interest as per applicable law shall be paid by the Selling Shareholders;
- 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 Bidders within the time specified under applicable law; and
- 6) it shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law.
- 7) It is the legal and beneficial owner of, and has full title to their respective portion of the Offered Shares in the Offer;

### **UTILIZATION OF THE OFFER PROCEEDS:**

The Board of Directors of our Company certifies that:

- 1) all monies received out of the Fresh issue shall be 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 Fresh issue referred above shall be disclosed and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- 3) details of all unutilized monies out of the Fresh issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- 4) Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to

the disclosure and monitoring of the utilisation of the proceeds of the Offer.

- 5) Our Company shall not have recourse to the Offer Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
- 6) The Book Running Lead Managers undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactory.

Further the Selling Shareholder along with our Company declare that all monies received out of the Offer for Sale 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.

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL:**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated April 06, 2018 among NSDL, the Company and the Registrar to the Offer;
- b) Agreement dated March 19, 2018 among CDSL, the Company and the Registrar to the Offer;

The Company's shares bear ISIN no INE728Z01015 .

#### **PART B**

#### **GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

*This General Information Document highlights the key rules, processes and procedures applicable to public offers in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders 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 Offer. For taking an investment decision, the Bidders should rely on their own examination of the Offer and the Issuer, and should carefully read the Red Herring prospectus before investing in the Offer.*

#### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken inter-alia through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the —General Information Document for Investing in Public Issues— is to provide general guidance to potential Bidders in IPOs, 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”).

Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Offer 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 Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Bidders

should carefully read the entire RHP/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 Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM (s) to the Offer and on the website of Securities and Exchange Board of India ("SEBI") at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section "Glossary and Abbreviations".

## **SECTION 2: BRIEF INTRODUCTION TO IPOs ON NATIONAL STOCK EXCHANGE OF INDIA's 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, if applicable. For details of compliance with the eligibility requirements by the Issuer. Bidders/Applicants may refer to the DRHP.

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 up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Offer being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

### **2.2 OTHER ELIGIBILITY REQUIREMENTS**

In addition to the eligibility requirements specified in paragraphs 2.1, an issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI (ICDR) Regulations, 2009, the Companies Act, 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 BRLMs 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 Book Running Lead Manager shall submit the copy of Red Herring 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 BRLMs 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 at least 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 Rs. 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 Offer.

Thus Company is eligible for the Offer in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post Offer face value capital does not exceed Rs. 1000 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India for listing of our Equity Shares.

## **TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES**

In accordance with the provisions of the SEBI (ICDR) Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“Book Built issues”) or undertake a Fixed Price Issue (“Fixed Price Issues”). An issuer may mention Floor Price or Price Band in the DRHP (in case of a Book Built Issue) and a Price or Price Band in the DRHP (in case of a Book Built Issue) and a Price or Price Band in the Red Herring Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-Offer advertisement was given at least five Working Days before the Bid/ Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Offer advertisements to check whether the Offer is a Book Built Offer or a Fixed Price Offer.

### **2.3 OFFER PERIOD**

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders) and not more than ten Working Days. Bidders are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP for details of the Offer Period. Details of Offer Period are also available on the website of Stock Exchange(s).

In case of a Book Built Offer, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the

BRLMs, and the advertisement in the newspaper(s) issued in this regard

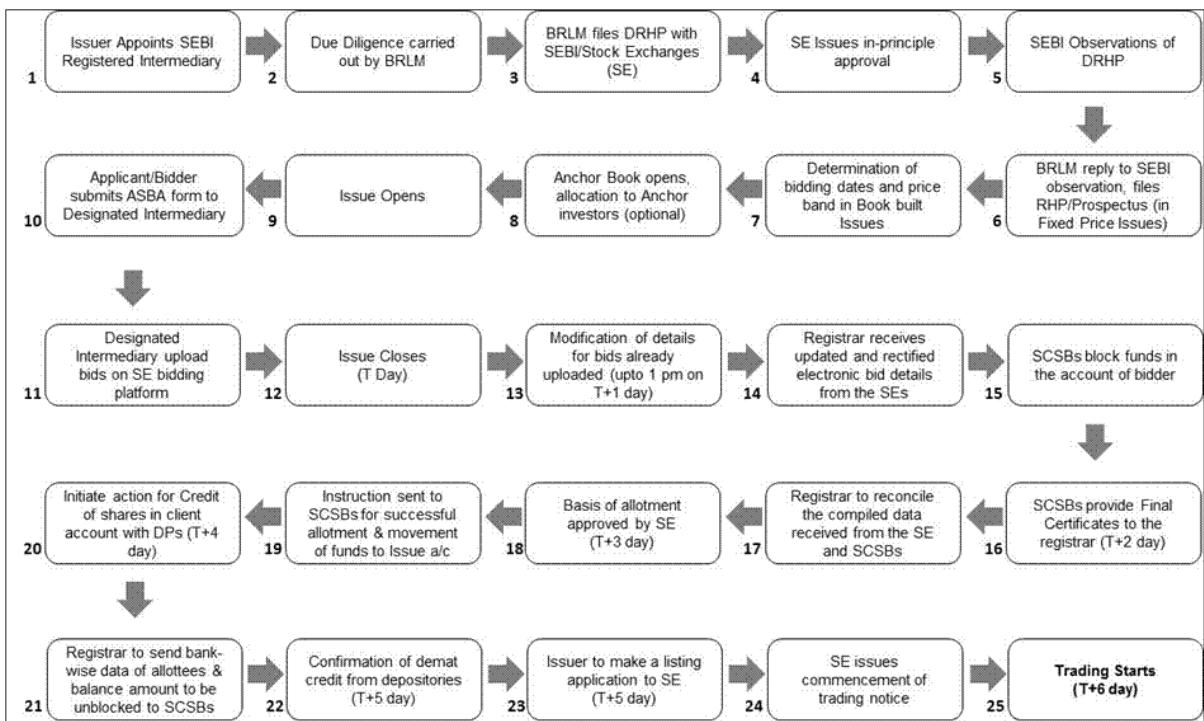
### **2.4 MIGRATION TO MAIN BOARD**

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

- a) **the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.**
  
- b) **If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.**

### **2.5 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** Bidders **should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders 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 Bidders 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: 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) 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 Rs. 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 IN THE OFFER**

**Book Built Issue:** Bidders 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 Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP.

Bidders should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

<b>Category</b>	<b>Colour of the Bid cum Application (Excluding downloaded forms from SE website)</b>
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis	Blue

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the

Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### **4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM**

Bidders 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 Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non- resident Bidders are reproduced below:

#### **APPLICATION FORM FOR RESIDENT BIDDERS**

TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Detail: ..... CIN No ..... 	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																													
<b>LOGO</b>  <b>TO,</b> <b>THE BOARD OF DIRECTORS</b> <b>XYZ LIMITED</b>	<b>BOOK BUILT ISSUE</b>  <b>ISIN :</b> .....	<b>Bid cum Application Form No.</b>																													
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<b>2. PAN OF SOLE / FIRST BIDDER</b> _____																															
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <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																															
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="2">Bid Option:</th> <th rowspan="2">No. of Equity Share Bid (in Figures) (Bid must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2"><input checked="" type="checkbox"/> Please tick</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th>"Cut-off"</th> </tr> <tr> <td>Option 1</td> <td>8   7   6   5   4   3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td>8   7   6   5   4   3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td>8   7   6   5   4   3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td><input type="checkbox"/></td> </tr> </table>			Bid Option:	No. of Equity Share Bid (in Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				<input checked="" type="checkbox"/> Please tick	Bid Price	Retail Discount	Net Price	"Cut-off"	Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>	(OR) Option 2	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>	(OR) Option 3	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>
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<b>7. PAYMENT DETAILS</b> <b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b> Amount paid (₹ in figures) _____ (₹ in words) _____																															
<b>ASBA</b> Bank A/c No. _____ Bank Name & Branch _____																															
<small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED BROCHURE, PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("DID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS' UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small>																															
<b>8A. SIGNATURE OF SOLE/ FIRST BIDDER</b> _____ <small>Date : _____</small>		<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> <small>I/We authorize the SCSE to do all acts as are necessary to make the Application in the name</small> 1) 2) 3)																													
<b>TEAR HERE</b>																															
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<b>DPID / CLID</b>	Amount paid (₹ in figures) _____ Bank & Branch _____ ASBA Bank A/c No. _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____																														
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## APPLICATION FORM FOR NON RESIDENT BIDDERS

<b>COMMON BID CUM APPLICATION FORM</b>		<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Address : ..... Contact Details: ..... CIN No: .....		<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS</b>	
<b>TEAR HERE</b> <b>LOGO</b> TO, THE BOARD OF DIRECTORS <b>XYZ LIMITED</b>		<b>BOOK BUILT ISSUE</b> <b>ISIN :</b> .....		<b>Bid cum Application Form No.</b>	
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>		<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>		<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>	
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>		<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>		Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____	
<b>BANK BRANCH SERIAL NO.</b>		<b>SCSB SERIAL NO.</b>		<b>2. PAN OF SOLE / FIRST BIDDER</b>	
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <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		<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>	
<b>Bid Options</b>  Option 1 (OR) Option 2 (OR) Option 3	No. of Equity Shares Bid (In Figures) <small>(Bids must be in multiples of Bid Lot as advertised)</small>		Price per Equity Share (₹)/ "Cut-off" <small>(Price in multiples of ₹ 1/- only) (In Figures)</small> Bid Price      Retail Discount      Net Price      "Cut-off" (Please tick)		
	8   7   6   5   4   3   2   1		3   2   1      3   2   1      3   2   1 <input checked="" type="checkbox"/>		
	(OR) Option 2		3   2   1      3   2   1      3   2   1 <input checked="" type="checkbox"/>		
	(OR) Option 3		3   2   1      3   2   1      3   2   1 <input checked="" type="checkbox"/>		
<b>5. CATEGORY</b>		<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB			
<b>6. INVESTOR STATUS</b>		<input type="checkbox"/> NRI (Repatriation basis) <input type="checkbox"/> FI or Sub-account not a Corporate/Foreign Individual <input type="checkbox"/> FIISA FI Sub-account Corporate/Individual <input type="checkbox"/> FVCI Foreign Venture Capital Investor <input type="checkbox"/> FPI Foreign Portfolio Investors <input type="checkbox"/> OTH Others (Please Specify) _____			
<b>7. PAYMENT DETAILS</b>		<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>			
Amount paid (₹ in figures) _____ (₹ in words) _____		ASBA Bank A/c No. _____ Bank Name & Branch _____			
<small>I/we (on behalf of joint applicants, if any) hereby confirm that I/we have read and understood the terms and conditions of this Bid Cum Application Form and the attached Abridged Prospectus and the General Information Document for investing in public issues ("CID") and hereby agree and confirm the "Bidders Undertaking" as given overleaf. I/we (on behalf of joint applicants, if any) hereby confirm that I/we have read the instructions for filling up the Bid Cum Application Form given overleaf.</small>					
<b>8A. SIGNATURE OF SOLE/ FIRST BIDDER</b>  Date : _____		<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>  I/we authorize the SCSB to do all acts as are necessary to make the Application in the name 1) 2) 3)		<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>	
<b>TEAR HERE</b>		<b>TEAR HERE</b>			
<b>LOGO</b>		<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - NR</b>		<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b> <b>Bid cum Application Form No.</b>	
<b>DPID / CLID</b>		<b>PAN of Sole / First Bidder</b>		<b>Stamp &amp; Signature of SCSB Branch</b>	
Amount paid (₹ in figures) _____		Bank & Branch _____		Stamp & Signature of SCSB Branch	
ASBA Bank A/c No. _____		Received from Mr./Ms. _____		Telephone / Mobile _____ Email _____	
<b>TEAR HERE</b>		<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>			
<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>		<b>Name of Sole / First Bidder</b>		<b>Acknowledgement Slip for Bidder</b>	
No. of Equity Shares _____		Option 1 _____		<b>Bid cum Application Form No.</b>	
Bid Price _____		Option 2 _____		Option 3 _____	
Amount Paid (₹) _____		ASHA Bank A/c No. _____		Bank & Branch _____	

#### **4.1.1 FILLED NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST BIDDER**

- a) Bidders 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 should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications) 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 Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- c) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder 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 would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Bidders 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:

- *makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
- *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*
- *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 of the said Act.*

- e) **Nomination Facility to Bidder:** 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 should inform their respective DP.

#### **4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST BIDDER**

- a) PAN (of the sole/first Bidder) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first 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 on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim (—PAN Exempted Bidders¶). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders 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 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 which provide the GIR Number instead of PAN may be rejected.
- e) Bids 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 DEPOSITORY ACCOUNT DETAILS**

- a) Bidder should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- b) Bidder should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the offer.
- d) Bidder 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' 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/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer 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 Offer 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) **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 Offer 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.
- d) **Minimum Bid Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.
- e) **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 DRHP 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 Rs. 2,00,000, they can make Bid for only minimum size i.e. for [●] Equity Shares. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.

##### **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 Rs. 200,000 and in multiples of [●] 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 Rs. 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 Rs. 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 Offer 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.
  - (iv) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

#### **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 Offer, Bidders may refer to the RHP.
- (c) The SEBI (ICDR) Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder may refer to the DRHP.

#### **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 Offer 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 Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Red Herring 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.

#### **4.1.5 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 Offer, 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 DRHP 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 Offer 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.

##### **4.1.5.1 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 Offer Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.5.2 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 Offer 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 Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer 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 Offer 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 Working Days of the Bid/Offer 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 6 Working Days of the Bid/Offer Closing Date.

#### **4.1.5.3 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 Offer, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer 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.

#### **4.1.5.4 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.

#### **4.1.6 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.

#### **4.1.7 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 Offer 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 BRLM(s) in case of any other complaints in relation to the Offer.
  - (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's 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 Red Herring Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Offer 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/Offer 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/Offer 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:

## Revision Form – R

<b>COMMON BID REVISION FORM</b> <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No: .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b> <b>TO,</b> <b>THE BOARD OF DIRECTORS</b> <b>XYZ LIMITED</b>	<b>BOOK BUILT ISSUE</b> <b>ISIN : .....</b> <b>Bid cum Application Form No.</b>																														
																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; padding: 5px;"> <b>SYNDICATE MEMBER'S STAMP &amp; CODE</b> </td> <td style="width: 25%; padding: 5px;"> <b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b> </td> <td style="width: 50%; padding: 5px;"> <b>I. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>          Mr. / Ms. _____          Address _____ Email: _____          Tel. No (with STD code) / Mobile: _____       </td> </tr> <tr> <td colspan="2" style="padding: 5px;"> <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>    <b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b> </td> <td style="padding: 5px;"> <b>2. PAN OF SOLE / FIRST BIDDER</b> </td> </tr> <tr> <td colspan="2" style="padding: 5px;"> <b>BANK BRANCH SERIAL NO.</b>    <b>SCSB SERIAL NO.</b> </td> <td style="padding: 5px;"> <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b>    <input type="checkbox"/> NSDL    <input type="checkbox"/> CDSL  <small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small> </td> </tr> </table>			<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>I. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr. / Ms. _____ Address _____ Email: _____ Tel. No (with STD code) / Mobile: _____	<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b> <b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>		<b>2. PAN OF SOLE / FIRST BIDDER</b>	<b>BANK BRANCH SERIAL NO.</b> <b>SCSB SERIAL NO.</b>		<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>																					
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<b>BANK BRANCH SERIAL NO.</b> <b>SCSB SERIAL NO.</b>		<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>																														
<b>PLEASE CHANGE MY BID</b>																																
<b>4. FROM (AS PER LAST BID OR REVISION)</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="2" style="width: 15%;">Bid Options</th> <th rowspan="2" style="width: 45%;">No. of Equity Shares Bid <small>(Bid: must be in multiples of Bid Lot as advertised)</small></th> <th colspan="4" style="width: 40%;">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) <small>(In Figures)</small></th> </tr> <tr> <th style="width: 10%;">Bid Price</th> <th style="width: 10%;">Retail Discount</th> <th style="width: 10%;">Net Price</th> <th style="width: 10%;">"Cut-off" <small>(Please tick)</small></th> </tr> <tr> <td>8   7   6   5   4   3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Option 1</td> <td>1   1   1   1   1   1   1   1</td> <td>1   1   1   1   1   1   1   1</td> <td>1   1   1   1   1   1   1   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td>1   1   1   1   1   1   1   1</td> <td>1   1   1   1   1   1   1   1</td> <td>1   1   1   1   1   1   1   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td>1   1   1   1   1   1   1   1</td> <td>1   1   1   1   1   1   1   1</td> <td>1   1   1   1   1   1   1   1</td> <td><input type="checkbox"/></td> </tr> </table>			Bid Options	No. of Equity Shares Bid <small>(Bid: must be in multiples of Bid Lot as advertised)</small>	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) <small>(In Figures)</small>				Bid Price	Retail Discount	Net Price	"Cut-off" <small>(Please tick)</small>	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>	Option 1	1   1   1   1   1   1   1   1	1   1   1   1   1   1   1   1	1   1   1   1   1   1   1   1	<input type="checkbox"/>	(OR) Option 2	1   1   1   1   1   1   1   1	1   1   1   1   1   1   1   1	1   1   1   1   1   1   1   1	<input type="checkbox"/>	(OR) Option 3	1   1   1   1   1   1   1   1	1   1   1   1   1   1   1   1	1   1   1   1   1   1   1   1	<input type="checkbox"/>
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<b>5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="2" style="width: 15%;">Bid Options</th> <th rowspan="2" style="width: 45%;">No. of Equity Shares Bid <small>(Bid: must be in multiples of Bid Lot as advertised)</small></th> <th colspan="4" style="width: 40%;">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) <small>(In Figures)</small></th> </tr> <tr> <th style="width: 10%;">Bid Price</th> <th style="width: 10%;">Retail Discount</th> <th style="width: 10%;">Net Price</th> <th style="width: 10%;">"Cut-off" <small>(Please tick)</small></th> </tr> <tr> <td>8   7   6   5   4   3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Option 1</td> <td>1   1   1   1   1   1   1   1</td> <td>1   1   1   1   1   1   1   1</td> <td>1   1   1   1   1   1   1   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td>1   1   1   1   1   1   1   1</td> <td>1   1   1   1   1   1   1   1</td> <td>1   1   1   1   1   1   1   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td>1   1   1   1   1   1   1   1</td> <td>1   1   1   1   1   1   1   1</td> <td>1   1   1   1   1   1   1   1</td> <td><input type="checkbox"/></td> </tr> </table>			Bid Options	No. of Equity Shares Bid <small>(Bid: must be in multiples of Bid Lot as advertised)</small>	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) <small>(In Figures)</small>				Bid Price	Retail Discount	Net Price	"Cut-off" <small>(Please tick)</small>	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>	Option 1	1   1   1   1   1   1   1   1	1   1   1   1   1   1   1   1	1   1   1   1   1   1   1   1	<input type="checkbox"/>	(OR) Option 2	1   1   1   1   1   1   1   1	1   1   1   1   1   1   1   1	1   1   1   1   1   1   1   1	<input type="checkbox"/>	(OR) Option 3	1   1   1   1   1   1   1   1	1   1   1   1   1   1   1   1	1   1   1   1   1   1   1   1	<input type="checkbox"/>
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<small>DWE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT DWE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GDI") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. DWE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT DWE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.</small>																																
<b>7A. SIGNATURE OF SOLE/ FIRST BIDDER</b> <small>Date : _____</small>		<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b> <small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the name of:</small> 1) _____ 2) _____ 3) _____																														
																																
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DPID / CLID: _____ Additional Amount Paid (₹) _____ Bank & Branch _____ Stamp & Signature of SCSB Branch _____ ASBA Bank A/c No. _____ <small>REvised Bid</small> Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____																																
																																
<small>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</small> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; padding: 5px;">           Option 1    Option 2    Option 3  <small>No. of Equity Shares _____</small> </td> <td style="width: 25%; padding: 5px;"> <small>Stamp &amp; Signature of Broker / SCSB / DP / RTA</small> </td> <td style="width: 50%; padding: 5px;"> <b>Name of Sole / First Bidder</b>  <small>Acknowledgement Slip for Bidder</small> </td> </tr> <tr> <td colspan="2" style="padding: 5px;"> <small>Bid Price _____</small> </td> <td style="padding: 5px;"> <small>Bid cum Application Form No.</small> </td> </tr> <tr> <td colspan="3" style="padding: 5px;"> <small>Additional Amount Paid (₹) _____</small> </td> </tr> <tr> <td colspan="3" style="padding: 5px;"> <small>ASBA Bank A/c No. _____ Bank &amp; Branch _____</small> </td> </tr> </table>			Option 1    Option 2    Option 3 <small>No. of Equity Shares _____</small>	<small>Stamp &amp; Signature of Broker / SCSB / DP / RTA</small>	<b>Name of Sole / First Bidder</b> <small>Acknowledgement Slip for Bidder</small>	<small>Bid Price _____</small>		<small>Bid cum Application Form No.</small>	<small>Additional Amount Paid (₹) _____</small>			<small>ASBA Bank A/c No. _____ Bank &amp; Branch _____</small>																				
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#### **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) 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 Rs. 200,000. In case the Bid Amount exceeds Rs.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 Offer 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 Rs. 200,000, the Bid will be considered for allocation under the Non- Institutional Category in terms of the DRHP. If, however, the RII does not either revise the Bid or make additional payment and the Offer 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 Offer 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 Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer 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:-**

<b>Mode of Bid</b>	<b>Submission of Bid cum Application Form</b>
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Red herring 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: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

This being book built issue procedure for fixed price issue is not applicable.

### **SECTION 6- ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI (ICDR) Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

#### **6.1 SUBMISSION OF BIDS**

- a) During the Bid/Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may

instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).

- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the DRHP.

## **6.2 ELECTRONIC REGISTRATION OF BIDS**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

## **6.3 BUILD UP OF THE BOOK**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges" on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

## **6.4 WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - 1) the Bids accepted by the Designated Intermediaries,

- 2) the Bids uploaded by the Designated Intermediaries, and
  - 3) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### **GROUNDS OF REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Offer Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;

- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or —qualified institutional buyers as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Where no confirmation is received from SCSB for blocking of funds Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws; Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid cum Application form

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the DRHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the DRHP.
- d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown

in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount (Rs.)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

## **SECTION 6: OFFER PROCEDURE IN FIXED PRICE ISSUE**

This being Book Built Issue, this section is not applicable for this Offer.

## **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 Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 BASIS OF ALLOTMENT**

Allotment will be made in consultation with the SME Platform of National Stock Exchange of India (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) 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) Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - (i) Each successful Bidder shall be allotted [●] 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 [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] 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 [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this DRHP.
- (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 retail individual investors shall be allocated that higher percentage.
  - (ii) The balance net offer of shares to the public shall be made available for allotment to individual bidders other than retail individual investors and other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
  - (iii) The unsubscribed portion of the net offer to any one of the categories specified in a) or
- (g) 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 Rs.2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India.

The Executive Director / Managing Director of National Stock Exchange of India - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Offer Account with the Bankers to the Offer.
- (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 Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Offer.

- (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 Offer 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 Offer 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 Exchanges are taken within 6 Working Days of the Bid/Offer 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/Offer 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 Exchanges 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 DRHP/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 DRHP.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

This Offer is not restricted to any minimum subscription level. This Offer 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 Offer through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Offer, 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).

#### **8.2.4 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may

be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### **8.3 MODE OF REFUND**

Within 6 Working Days of the Bid/Offer 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 Offer.

### **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/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Offer Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ 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 each of the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
ASBA/ Application Supported by Blocked	An application, whether physical or electronic, used by Bidders, 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 from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus.
ASBA Application Location(s) /Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai and Kolkata.
Banker(s) to the Offer	The banks which are clearing members and registered with SEBI as Banker to an Offer with whom the Public offer Account will be opened and in this case being ICICI Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Offer and which is described under chapter titled —Offer Procedure beginning on page 273 of this Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Offer.

<b>Term</b>	<b>Description</b>
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/ Offer Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all edition of the English national newspaper Business Standard and all edition of the Hindi national newspaper Business Standard, and Pune edition of the Marathi newspaper, Prabhat each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations
Bid/ Offer Period	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all edition of the English national newspaper Business Standard and all edition of the Hindi national newspaper Business Standard, and Pune edition of the Marathi newspaper, Prabhat each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs,
Bid/ Offer Period cum Application form	The period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely Pantomath Capital Advisors Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders 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 National Stock Exchange of India India Limited.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.

<b>Term</b>	<b>Description</b>
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders in consultation with the BRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
DP	Depository Participant
DP ID	Depository Participant's Identification Number
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 Bidders such as their address, PAN, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (except Anchor Investor) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated Locations	CDP Such locations of the CDPs where Bidders can submit the Bid cum 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 Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
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 Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders 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 Bidders, In relation to the Offer.

<b>Term</b>	<b>Description</b>
Designated Locations	RTA Such centres of the RTAs where Bidder can submit the Bud cum 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 ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Designated Exchange	Stock The designated stock exchange as disclosed in the Red herring prospectus/ Prospectus of the issuer
Designated Locations	CDP Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI (ICDR) Regulations, 2009.
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated March 28, 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
Equity Shares	Equity Shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum 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 Offer / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI (ICDR) Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price will be finalised and below which no Bids
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
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 Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
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

<b>Term</b>	<b>Description</b>
Mutual Funds Portion	5% of the QIB Category available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the DRHP/RHP/Prospectus and Bid cum Application Form
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 Offer and in relation to whom the DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/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 Bid for Equity Shares for an amount of more than Rs. 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 DRHP/RHP/Prospectus and the Bid cum 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	The initial public offer of up to 28,51,200 Equity Shares of face value of Rs.10/- each for cash at a price of Rs. [●] each, aggregating up to Rs. [●] Lakhs comprising the Fresh Issue of 23,71,200 Equity Shares of face value of Rs.10/- each for cash at a price of Rs. [●] each, aggregating up to Rs. [●] Lakhs and the Offer for Sale of up to 4,80,000 Equity Shares by [●] aggregating up to Rs. [●] Lakh.
Offer for Sale	The offer for sale of up to 4,80,000 Equity Shares aggregating up to Rs. [●] by the Selling Shareholders at the Offer Price in terms of the Red Herring Prospectus, consisting of offered shares by Selling Shareholders. For further details in relation to Selling Shareholders, see —The Offer on page 59
Other Investors	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders 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 and the Selling Shareholders in consultation with the Book Running Lead Manager(s)
Offer Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus

<b>Term</b>	<b>Description</b>
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price band of a minimum price of Rs.[●] per Equity Share (Floor Price) and the maximum price of Rs.[●] per Equity Share (Cap Price) including revisions thereof.
	The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date, in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard and Pune edition of the Marathi newsnaner Prabhat each with wide circulation
Pricing date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information
Public Offer Account	Account opened with the Banker to the Offer i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders 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.
RTGS	Real Time Gross Settlement
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto.  The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) 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 ICICI Bank Limited
Refund through electronic transfer of	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

<b>Term</b>	<b>Description</b>
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of National Stock Exchange of India having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a>
Registrar /Registrar to the Offer	Registrar to the Offer, in this case being Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India
Reserved /Categories	Category Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Reservation Portion	The portion of the offer reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Offer registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised</a> Intermediaries 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, BRLMs 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	Escrow agent appointed pursuant to the Share Escrow Agreement, namely Link Intime India Private Limited
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members

<b>Term</b>	<b>Description</b>
Syndicate Agreement	Agreement dated April 17, 2018 entered into amongst the BRLMs, the Syndicate Members, our Company and the Selling Shareholder in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Stock Brokers Private Limited
Underwriter	The Book Running Lead Manager (s) and Syndicate Member (s)
Underwriting Agreement	The agreement dated April 17, 2018 entered into between the Underwriter and our Company
Working Day	All days other than 2 <sup>nd</sup> & 4 <sup>th</sup> 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 Bid/Offer Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

## **SECTION VIII.            RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP") and the concerned Ministry/ Department as laid out in the FDI Policy 2017.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), with effect from August 28, 2017, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100% foreign direct investment through automatic route is permitted in the sector in which our Company operates.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include:

- i. where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that:
  - a. the requisite approval of the Government has been obtained; and
  - b. the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.;
- ii. where the transfer of shares attract SEBI (AST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;
- iii. where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that:

- a. The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionality's (such as minimum capitalization, etc.), reporting requirements, documentation etc.;
  - b. The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and
- iv. where the investee company is in the financial sector provided that:
- a. Any fit and proper/due diligence requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and
  - b. The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS, the total holding by each FPI or an investor group as referred in SEBI (Foreign Portfolio Investor) Regulations, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively.

However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body. For arriving at the ceiling on holdings of FIIs, shares/ convertible debentures acquired both through primary as well as secondary market will be included. However, the ceiling will not include investment made by FII through off-shore Funds, Global Depository receipts and Euro- Convertible Bonds. With regard to convertible debentures, these investments permitted to be made shall not exceed 5 % of the total paid-up equity capital or 5% of the paid-up value of each series of convertible debentures issued by an Indian Company, and shall also not exceed the over-all ceiling limit of 24 % of paid-up equity capital or paid up value of each series of convertible debentures.

#### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by a listed Indian company (hereinafter referred to as "Capital Instruments") on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e.:

- The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 20003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Offer in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Offer.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## **SECTION IX. MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

**(Adopted by the Members of the Company at the Extra-ordinary General Meeting of the Company held on February 22, 2018 in pursuance of the Companies Act, 2013)**

### **THE COMPANIES ACT, 2013**

### **COMPANY LIMITED BY SHARES (Incorporated under the Companies Act, 1956)**

### **ARTICLES OF ASSOCIATION OF SOFTTECH ENGINEERS LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' Special resolution passed at Extra-ordinary General Meeting of the Company held on 22<sup>nd</sup>February, 2018 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

#### **TABLE 'F' EXCLUDED**

1. The Regulations contained in Table marked 'F' in schedule I of the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

The regulation for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

#### **INTERPRETATION**

##### **Interpretation clause**

2. In these Articles, unless the context otherwise requires, words, expressions defined in the Act or any statutory modification thereof in force at the date at which these Articles have become binding on the Company, shall have the meanings so defined and words importing the singular shall includethe plural, and vice versa, and words importing the masculine gender shall include female, and words importing persons shall include bodies corporate and the following words and expressions shall have the following interpretation, unless such interpretation is excluded by the subject or the context:--

Applicability, wherever these Articles provide for any action by the Company under the Act, it shall also include the provisions, if any, made under the relevant sections of the Act and also under the provisions of Secretarial Standard, issued by the Institute of Company Secretaries of India, as notified and modified from time to time. In case of any inconsistency between rules, secretarial standards, etc., the provisions of the Act shall prevail.

##### **“The Act”**

Means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

##### **“Annual General Meeting”**

“Annual General Meeting” means a general meeting of the members held in accordance with the provisions of Section 96 of the Act.

“Articles” or “Articles of Association”

Means the articles of association of the company as originally framed or as altered from time to time or applied in pursuance of any previous company law or of this Act;

“Beneficial Owner”

“Beneficial Owner” means a beneficial owner as defined in Section 2(1) (a) of the Depositories Act 1996.

“Board or “Board of Directors”

“Board” or “Board of Directors” means collective body of the Directors of the Company.

”Business” shall mean the business as mentioned in Memorandum of Association including related activities and such other business, in each case as approved by the Board of Directors in accordance with the provisions of these Articles.

“Capital”

“Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

“Chairman”

“Chairman” means the Chairman of Board of Directors and/or of the Company.

“The Company” or “this Company”

“The Company” or “this Company” means **Softtech Engineers Limited**

“Debenture”

“Debenture” includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not;

“Depository”

“Depository” means a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.

“Director”

“Director” means a Director appointed to the Board of the Company.

“Dividend”

“Dividend” includes Interim Dividend.

“Extraordinary General Meeting”

“Extraordinary General Meeting” means an Extraordinary General Meeting of the members duly called and constituted and any adjourned holding thereof.

“In Writing” and “Written”

“In Writing” and “Written” include printing, lithography and other modes of representing or reproducing words in a visible form.

“Member”

“Member”, in relation to a company, means—

the subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members;

every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company;

every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository.

**“General Meeting”**

“General Meeting” means a meeting of Members.

**“Office”**

“Office” means the registered office for the time being of the Company.

**“Ordinary Resolution” and “Special Resolution”**

“Ordinary Resolution” and “Special Resolution” shall have the meanings assigned thereto in Section 114 of the Act.

**“Paid-up share capital”**

“Paid-up share capital” or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.

**“Persons”**

“Persons” includes an individual, an association of persons or body of individual, whether incorporated or not and a firm.

**“Postal Ballot”**

“Postal ballot” means voting by post or through any electronic mode.

**“Record”**

“Record” means and includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by regulations made by SEBI Board.

**“Register of Members”**

“Register of Members” means the Register of Members to be kept pursuant to the Act.

**“Registrar”**

“Registrar” means a Registrar, an Additional Registrar, a Joint Registrar, a Deputy Registrar or an Assistant Registrar, having the duty of registering companies and discharging various functions under this Act.

**“Rules” or “the Rules”**

“Rules” or “the Rules” mean the appropriate rules, for the time being in force, framed under the Act or as amended, altered and replaced or novated from time to time.

**“Seal”**

“Seal” means the Common Seal of the Company.

**“SEBI”**

“SEBI” means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

**“Company Secretary” or “Secretary”**

“Company Secretary” or “Secretary” means a Company Secretary within the meaning of clause (c) of Sub-Section (1) of Section 2 of the Company Secretaries Act, 1980 who is appointed by a Company to perform the functions of a Company Secretary under the Act.

**“Securities”**

“Securities” means any securities as defined in clause (h) of section 2 of the Securities Contracts (Regulations) Act, 1956.

**“Share”**

“Share” means a share in the share capital of the Company and includes stock.

**“Financial year”**

“Financial year”, in relation to any company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect where of financial statement of the company or body corporate is made up.

**“Marginal Notes”**

The marginal notes used in these Articles shall not affect the construction hereof.

Share capital and variation of rights

3. Shares under control of Board

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 of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

4. Directors may allot shares otherwise than for cash

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.

5. Kinds of Share Capital

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.

6. Issue of certificate

- 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

Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

- 2) One certificate for shares held jointly

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.

7. 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 dematerialized 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 shares to enable the depository to enter in its records the name of such person as the beneficial owner of those shares.

8. Issue of new certificate in place of one defaced, lost or destroyed

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate maybe 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 maybe fixed by the Board.

9. Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc

The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures(except where the Act otherwise requires) of the Company.

10.

- (1) Power to pay commission in connection with securities issued

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.

- (2) Rate of commission in accordance with Rules

The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

(3) Mode of payment of commission

The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

11.

(1) Variation of members' rights

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.

(2) Provisions as to general meetings to apply mutatis mutandis to each meeting

To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.

12. Issue of further shares not to affect rights of existing members

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 paripassu therewith.

13. Power to issue redeemable preference shares

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.

14. Allotment of Sweat Equity Shares

Subject to the provisions of the Act and any rules or guidelines made there under and subject to these Articles, the Directors may allot and issue shares in the Capital of the Company as sweat equity towards payment or part payment for any property or assets of any kind whatsoever sold or to be sold or transferred or to be transferred or for goods or machinery supplied or to be supplied or for services rendered or to be rendered or for technical assistance or know-how made or to be made available to the Company either in about the formation or promotion of the company or conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid otherwise than for cash and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid.

15. Power to issue Shares under ESOS/ ESOPS

The Company may, from time to time, issue shares under the Employee Stock Option Scheme and Employee Stock Purchase Scheme subject to Provisions of the Act and rules, guidelines and regulations issued by SEBI, if applicable, and other applicable laws for the time being in force.

16. Further issue of share capital

(1) The Board or the Company, as the case may be, in accordance with the Act and the Rules, issue further 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, if authorized by a Special Resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

Unless the terms of the offer or issuance of shares otherwise provide, the offer aforesaid 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.

(2) Mode of further issue of shares

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.

17. Declaration by persons not holding beneficial interests in shares

Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share shall, within such time and in such form as prescribed under the Act, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in such manner as may be required under the provisions of the Act;

- (a) A person who holds a beneficial interest in a share or a class of shares of the company, shall within the time prescribed under the Act after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of members of the company and such other particulars as may be required under the provisions of the Act.
- (b) Whenever there is a change in the beneficial interest in share referred to above, the beneficial owner and the member shall within the time prescribed under the Act from the date of such change make a declaration to the Company in such form and containing such particulars as may be required under the provisions of the Act.
- (c) Where any declaration referred to above is made to the company, the company shall make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration, a return in the prescribed form with the Registrar with regard to such declaration.

Lien

18.

(1) Company's lien on shares

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.

- (2) Lien to extend to dividends, etc.

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.

- (3) Waiver of lien in case of registration

Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

19. As to enforcing lien by sale

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 by reason of his death or insolvency or otherwise.

20.

- (1) As to enforcing lien by sale

To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

- (2) Purchaser to be registered holder

The purchaser shall be registered as the holder of the shares comprised in any such transfer.

- (3) Validity of Company's receipt

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.

- (4) Purchaser not affected

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.

21.

- (1) Application of proceeds of sale

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.

- (2) Payment of residual money

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.

22. Outsider's lien not to affect Company's lien

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 recognize 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.

23. Provisions as to lien to apply mutatis mutandis to debentures, etc.

The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

Calls on shares

24.

(1) Board may make calls

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.

(2) Notice of call

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.

(3) Board may extend time for payment

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.

(4) Revocation or postponement of call

A call may be revoked or postponed at the discretion of the Board.

25. Call to take effect from date of resolution

A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

26. Liability of joint holders of shares

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

27. (1) When interest on call or installment payable

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.

(2) Board may waive interest

The Board shall be at liberty to waive payment of any such interest wholly or in part.

28. (1) Sums deemed to be calls

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.

(2) Effect of non-payment of sums

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.

29. Payment in anticipation of calls may carry interest

The Board –

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate 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.

30. Instalments on shares to be duly paid

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.

31. Calls on shares of same class to be on uniform basis

All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

32. Partial payment not to preclude forfeiture

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 herein provided.

33. Provisions as to calls to apply mutatis mutandis to debentures, etc.

The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

Transfer of shares

34. (1) Instrument of transfer to be executed by transferor and transferee

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.

35. Board may refuse to register transfer

The Board may, subject to the right of appeal conferred by the Act decline to register -

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has alien.

36. Board may decline to recognize instrument of transfer

In case of shares held in physical form, the Board may decline to recognize 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.

37. Transfer of shares when suspended

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.

38. Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.

The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

#### Transmission of shares

39. (1) Title to shares on death of a member

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 recognized by the Company as having any title to his interest in the shares.

(2) Estate of deceased member liable

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.

40. (1) Transmission Clause

Any person becoming entitled to a share in consequence on the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided elect, either -

- (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (2) Board's right unaffected

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.

(3) Indemnity to the Company

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.

41. (1) Right to election of holder of share

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.

If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(2) Limitations applicable to notice

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.

42. Claimant to be entitled to same advantage

A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

43. Provisions as to transmission to apply mutatis mutandis to debentures, etc.

The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

Nomination of shares

44. Nomination of Shares.

Notwithstanding anything contained hereinabove, every shareholder of the Company may at any time, nominate, in the prescribed manner, a person to whom his shares in the Company shall vest in the event of his death.

45. Nomination in case of Joint Holders.

Where the shares in the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares in the company shall vest in the event of death of all the joint-holders.

46. Notwithstanding anything contained in any other law for the time being in force or in any deposition, whether testamentary or otherwise, in respect of such shares in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in the Company, the nominee shall, on the death of the shareholder or as the case may be, on the death of the joint holders become entitled to all the rights in such shares, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

47. Where the nominee is a minor, it shall be lawful for the holder of the shares, to make the nomination to appoint in the prescribed manner, any person to become entitled to shares in the Company, in the event of his death, during the minority.

Transmission of shares by Nominee

48. A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided elect either:

(a) to be registered himself/herself as holder of the share or

(b) to make such transfer of the share or debenture as the deceased shareholder or debenture holder as the case may be could have made.

49. If the nominee elects to be registered as holder of the share himself/herself, as the case may be he/she shall deliver or send to the Company a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.

50. A nominee upon becoming entitled to a share by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he/she would be entitled to, if he/she were the registered holder of the share except that he/she shall not before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself/herself 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 moneys payable or rights accruing in respect of the share, until the requirements of the notice have been complied with.

51. Persons entitled may receive dividend without being registered as member

A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or monies as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share.

52. Board may require evidence of transmission

Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

53. No fee on transfer or transmission

The Company shall not charge any fee for registration of transfer or transmission in respect of share or debentures of the Company.

54. Company not liable for disregard of a notice prohibiting registration of transfer.

The Company shall incur no liability or responsibility whatsoever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right title or interest (to or in such shares notwithstanding that the Company may have received a notice prohibiting registration of such transfer and may have entered such notice as referred thereto in any book of the Company, and save as provided by Section 89 of the Act, the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors so think fit.

55. Register of transfers.

The Company shall keep a book called the "Register of Transfer" and therein shall be fairly and distinctly entered the particulars of every transfer and transmission of any share in the Company.

56. The Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any shares or other securities or whose name appears as the Beneficial owner of shares or other securities in the records of Depository, as the absolute owner thereof.

Forfeiture of shares

57. If call or installment not paid notice must be given

If a member fails to pay any call, or installment 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 installment remains unpaid or a judgment 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 installment 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.

58. Form of notice

The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

59. In default of payment, shares be forfeited

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.

60. Receipt of part amount or grant of indulgence not to affect forfeiture

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.

61. Entry of forfeiture in register of members

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.

62. Effect of forfeiture

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.

63. (1) Forfeited shares may be sold, etc.

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.

(2) Cancellation of forfeiture

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.

64. (1) Members still liable to pay money owing at the time of forfeiture

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 of forfeiture, were presently payable by him to the Company in respect of the shares.

(2) Member still liable to pay money owing at time of forfeiture and interest

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 realization. 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.

(3) Cesser of liability

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.

65. (1) Certificate of forfeiture

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;

(2) Title of purchaser and transferee of forfeited shares

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;

(3) Transferee to be registered as holder

The transferee shall thereupon be registered as the holder of the share; and

(4) Transferee not affected

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

66. Validity of sales

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.

67. Cancellation of share certificate

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.

68. Surrender of share certificates

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.

69. Sums deemed to be calls

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.

70. Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.

The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Alteration of capital

71. Power to alter share capital

Subject to the provisions of the Act, the Company may, by ordinary resolution -

- (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.

72. Right of stockholders

Where shares are converted into stock:

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
- (c) such of 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. Shares may be converted into stock.

73. Reduction of capital

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, —

- (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

Joint Holders

74. Joint Holders

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:

(a) Liability of Joint Holders

The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.

(b) Death of one or more joint holders

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.

(c) Receipt of one sufficient

Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

(d) Delivery of certificate and giving of notice to first named holder

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.

(e)

(i) Vote of joint-holders

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 but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of shares.

(ii) Executors or administrators as joint holders

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.

(f) Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc.

The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names, Executors or administrators as joint holders

75. Buy-back of shares

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.

General meetings

76. Extraordinary general meeting

All general meetings other than annual general meeting shall be called extraordinary general meeting.

77. Powers of Board to call extraordinary general meeting

The Board may, whenever it thinks fit, call an extraordinary general meeting.

Proceedings at general meetings

78. (1) Presence of Quorum

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.

(2) Business confined to election of Chairperson whilst chair vacant

No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

3) Quorum for general meeting

The quorum for a general meeting shall be as provided in the Act.

(4) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company—

(a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or

(b) the meeting, if called by requisitions under section 100, shall stand cancelled:

Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

(5) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

79. Chairperson of the meetings

The Chairperson of the Board shall preside as Chairperson at every general meeting of the Company.

80. Directors to elect a Chairperson

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 unable or unwilling to act as chairperson of the meeting, the Vice Chairperson, if any, shall be entitled to take the chair at such meeting. If there be no

such , or Chairperson and/or Vice Chairperson or if he or they are unable or unwilling to take the chair, or if he/ they are not present within fifteen minutes of the time appointed for holding the meeting, then the directors present shall elect one of their members to be the chairman of the meeting.

81. Members to elect a Chairperson

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 or show of hands or any other manner as may be provided in the Act or rules made thereunder, choose one of their members to be Chairperson of the meeting.

82. Casting vote of Chairperson at general meeting

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.

83. Minutes of proceedings of meetings and resolutions passed by postal ballot

(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.

(2) Certain matters not to be included in Minutes

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.

(3) Discretion of Chairperson in relation to Minutes

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.

(4) Minutes to be evidence

The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

84. (1) Inspection of minute books of general meeting

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, in accordance with the Act on all working days other than Saturdays, Sundays and public holidays.

(2) Members may obtain copy of minutes

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 Rupees ten per page or part thereof or such fee which shall not be less than the maximum amount of fee as permitted under the Companies Act, 2013 or Rules made there under, 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.

85. Powers to arrange security at meetings

The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a 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.

86. Notice

Subject to the provisions of the Companies Act, 2013, notices and other documents of General Meeting of the Company may be given to every member of the Company by e-mail, provided that every member should be given an advanced opportunity to register their e-mail address and changes therein from time to time with the Company or its Registrar and Share Transfer Agents. In case any member has not registered his e-mail address with the Company, the service of notice and documents shall be in accordance with the provisions of section 20 of the Companies Act, 2013.

Adjournment of meeting

87. (1) Chairperson may adjourn the meeting

The Chairperson may, suo-motu, adjourn the meeting from time to time and from place to place.

(2) Business at adjourned meeting

No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(3) Notice of adjourned meeting

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.

Voting rights

88. Entitlement to vote on show of hands and on poll

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.

89. Voting through electronic means

A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

90. (1) Vote of joint-holders

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.

(2) Seniority of names

For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

91. How members non compos mentis and minor may vote

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.

92. Votes in respect of shares of deceased or insolvent members, etc.

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.

93. Business may proceed pending poll

Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

94. Restriction on voting rights

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.

95. Restriction on exercise of voting rights in other cases to be void.

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.

96. Equal rights of members

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

97. (1) Member may vote in person or otherwise

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.

(2) Proxies when to be deposited

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notarized 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 at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

98. Form of proxy

An instrument appointing a proxy shall be in the form as prescribed in the Rules.

99. Proxy to be valid notwithstanding death of the principal

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

100. Number of Directors

- 1) The number of Directors shall not be less than three (3) and not more than fifteen (15). Subject to the provisions of the Act and these Articles, the Company may from time to time increase within the maximum limit permissible the number of Directors provided that any increase in the number of Directors exceeding the limit in that behalf provided by the Act shall not have any effect unless necessary approvals have been taken as may be prescribed under the Act.
- 2) At least one of the director shall be the resident of India, i.e. atleast one director who has stayed for minimum 182 days in India in a previous calendar year.
- 3) The Company shall appoint such number of woman director as may be required under the provisions of the Act and rules thereunder.

101. Appointment and election of Directors.

- 1) All Directors shall be elected by shareholders of the Company in General Meeting and all Directors other than the non-retiring Directors and Independent Directors shall be liable to retirement by rotation as herein provided.
- 2) Committees: The Board shall have the right to constitute committees of the Board ("Board Committees") and shall have the right to determine their functions, powers, authorities and responsibilities. Subject to applicable regulations, each Board Committee shall be constituted. The quorum and notice provisions set out in Articles in relation to the meetings of the Board shall apply to the meetings of the Board Committees.

102. Power to-appoint nominee director(s).

- 1) Whenever the Directors enter into a contract with any Government, Central, State or Local, or any person or persons for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the applicable provisions of the Act, the power to agree that such Government, person or persons shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the Agreement and that such Director or Directors may not be liable to retire nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the Government, person

or persons entitled to appoint or nominate them and such person or persons may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors so appointed or nominated shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including the payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with such person or persons aforesaid.

- 2) If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he is appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

#### 103. Alternate Directors

##### 1) Appointment of Alternate Director

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.

##### 2) Duration of office of alternate director

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.

##### 3) Re-appointment provisions applicable to Original Director

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.

#### 104. Additional Directors

##### 1) Appointment of Additional Directors

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.

##### 2) Duration of office of additional director

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.

105. Appointment of Independent Directors.

The Company shall appoint such number of directors as Independent directors as may be required under the provisions of the Act and rules thereunder. Independent Directors shall meet at such interval as may be provided by the Act.

106. Directors' power to fill casual vacancies

1) Appointment of director to fill casual vacancy

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.

2) Duration of office of Director appointed to fill casual vacancy

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.

107. Qualification of Directors

A Director shall not be required to hold any share qualification.

108. (1) Remuneration of directors

The remuneration of the directors shall be as may be decided by the Board of Directors from time to time.

(2) Remuneration to require member's consent

The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance and subject to the provisions of the Act.

109. Travelling Expenses incurred by Director not a bonafide resident Or by Director going out on Company's business

The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meetings of the board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.

110. Directors may act notwithstanding any vacancy.

The continuing Directors may act notwithstanding any vacancy in their board but if, and so long as their number is reduced below the minimum number fixed by these Article hereof the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.

111. When office of Directors to become vacant.

(1) Subject to Sections 167 and other provisions of the Act the Office of a Director shall become vacant if:

- a) he incurs any of the disqualifications specified in section 164;
- b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;

- c) he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
  - d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;
  - e) he becomes disqualified by an order of a court or the Tribunal;
  - f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months;
  - g) Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;
  - h) he is removed in pursuance of the provisions of this Act;
  - i) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.
- (2) Subject to the provisions of the Act, a Director may resign his office at any time by Notice in writing addressed to the Company or to the Board of Directors.

112. Director may contract with Company.

Subject to the provisions of section 188 of the Act no director shall be disqualified by his office from contracting with the Company for any purpose and in any capacity whatsoever including either as Vendor, purchaser, agent, broker, underwriter of shares and debentures of the Company or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relationship thereby established, but it is hereby declared that nature of his interest must be disclosed by him as provided hereunder.

113. Disclosure of interest.

- 1) Subject to the provision of the Act, every Director who is in any way whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company as prescribed under section 184 of the Act shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided in these Articles hereof.
- 2) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director in article above shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not at the date of the meeting, concerned or interested in the proposed contract or arrangement at the first meeting of the Board after the Director becomes so concerned or interested.
- 3) In the ease of any other contract arrangement, the required disclosure shall be made at the first meeting of the Board held alter the Director becomes concerned or interested in the contract or arrangement.

114. Register of Contracts in which Directors are interested.

- (1) The Company shall keep one or more Registers in accordance with the provisions of the Act in which shall be entered separately particulars of all contracts or arrangements in which the directors interested. The Registers shall include details of the contracts and name of parties and such other details as may be required under the prevailing provisions of the Act.
- (2) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him Disclosure of interest.
- (3) The Registers as aforesaid shall be kept at the Registered office of the Company and they shall be open to inspection at such office and extracts may be taken from any of them and copies thereof may be required by any member of the Company to the same extent in the same manner and on payment of the same fees as in case of the Register of Members.

115. Directors may be Directors of companies promoted by the Company

A Director of the Company may be or may become a Director of any Company promoted by the Company, or in which it may be interested as Vendor, member or otherwise and subject to the provisions of the Act and these Articles.

116. Retirement and rotation of Directors

- (1) Subject to the provision of the Act, at every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one third shall retire from office.
- (2) Not less than two-third of the total number of Directors of the Company as are liable to retire by rotation under the Act, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting.
- (3) The remaining Directors shall be appointed in accordance with the provisions of the Act, and these Articles.
- (4) The expression "Retiring Director" means a Director retiring by rotation.

117. Ascertainment of Directors retiring by rotation and filling of vacancies

Subject to the Provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves be determined by lot. Subject to the provisions of the Act, a retiring Director shall remain in office until the conclusion of the meeting at which his reappointment is decided or his successor is appointed.

118. Eligibility for re-election

A retiring Director shall be eligible for re-election.

119. Company to appoint successors to retiring Directors

The Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

120. Provision in default of appointment

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.
- (b) If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless –
  - (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost ;
  - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
  - (iii) he is not qualified or is disqualified for appointment;
  - (iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or
  - (v) the provision of the Section 162 of the Act is applicable to the case.

121. Notice of Candidate for office of Director except in certain cases

- (1) Subject to the provisions of the Act and these Articles any person who is not a retiring Director shall be eligible for appointment to the office of the Director at any General Meeting if he or some member intending to propose him has, at least fourteen clear days before the meeting, left at the Registered Office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be along with a deposit of such sum as may, from time to time, be prescribed by the law as deposit, which shall be refundable only if the candidate in respect of whom the deposit is made has duly been elected as Directors
- (2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the company, his consent in writing to act as Director if appointed.
- (3) On receipt of the notice referred to in this Article the Company shall inform its members of the Candidature of that person for the office of a Director or of the intention of a member

to propose such person as a candidate for that office by serving individual notice on members not less than seven days before the meeting provided that it shall not be necessary for the Company to serve individual notices upon the members if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the city, town or village in which the Registered Office of the Company is situate of which one is published in the English language and the other in the regional language.

122. Register of Directors etc. and notification of change to Registrar

The Company shall keep at its Registered Office a Register containing the particulars of its Directors and Key Managerial Personnel mentioned in Section 170 of the Act along with Companies (Appointment and Qualification of Directors) Rules, 2014 and shall otherwise comply with the and provisions of the said Section in all respects.

123. Register of Shares or Debentures held by Directors and Key Managerial Personnel

The Company shall, in respect of each of its Directors & Key Managerial Personnel,keep at its Registered office a Register, with prescribed details as required by Section 170 read with 171 of the Act along with relevant Rules made thereunder and shall also duly comply with all the provisions of the said Section in all respects.

124. Disclosure by Director and Key Managerial Personnel of appointment to any other body corporate

Subject to the provisions of section 184 of the Act, a Director and the Key Managerial Personnel of the Company shall within thirty days of his appointment to or relinquishment of his office as Director and the Key Managerial Personnel in any other body corporate disclose to the Company the particular relating to his office in the other body corporate., firms or other association of individuals.

125. Disclosure by a Director and Key Managerial Personnel of his holdings of shares and debentures of the Company etc.

A Director and Key Managerial Personnel shall give notice in writing to the Company of his holding of shares and debentures of the Company, or its holding or its subsidiary or its associates, together with such particulars as may be prescribed under the Act. If such notice be not given at a meeting of the Board, the Director Key Managerial Personnel shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given. The Company shall enter the aforesaid particulars in a Register kept for that purpose in conformity with provisions of the Act.

## MANAGING DIRECTOR

126. Managing Directors

- 1) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and subject to the provisions of these Articles, the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of the Managing Director or Managing Directors may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the

Act. The Managing Director shall not be required to retire by Rotation. The Directors may whenever they appoint more than one Managing Director, designate one or more of them as "Joint Managing Director" or "Joint Managing Directors" or "Deputy Managing Director" or "Deputy Managing Directors", as the case may be, and accordingly the expression "Managing Director" shall also include and be deemed to include "Joint Managing Director" or "Deputy Managing Director".

- 2) The Managing Director or Managing Director or Directors who are in the whole time employment in the Company shall subject to supervision and control of the Board of Directors, exercise such powers as are vested in them by the Board",

#### 127. Certain persons not to be appointed Managing Directors

The Company shall not appoint or employ, or continue the appointment or employment of, a person as its Managing or whole time Director who –

- (a) is below the age of twenty-one years or has attained the age of seventy years:  
Provided that appointment of a person who has attained the age of seventye years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;
- (b) is an undischarged insolvent, or has at any time been adjudged an insolvent ;
- (c) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or
- (d) has at any time been convicted by a Court of an and sentenced for a period of more than six months.

#### 128. Special position of Managing Director

A Managing Director shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of a Director.

### PROCEEDINGS OF THE BOARD OF DIRECTORS

#### 129. Meetings of Directors

The Directors may meet together as a Board from time to time and shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall elapse between two consecutive meetings of the Board.

#### 130. Notice, Agenda and Minutes of Meetings.

The Company shall comply with all other applicable provisions of the Act in connection with form, manner, time and date of issue of notice, agenda and minutes of the meeting of the Board duly amended up to date.

A Director or the Managing Director may at any time and the Secretary upon the request of a Director shall convene a meeting of the Directors. Notice of not less than seven days shall be issued in respect of every meeting of the Board in writing to every Director for the time being in India and at his usual address registered with the Company and to every other Director as may be required under relevant provisions of the Act/secretarial standard. Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting.

The Company shall ensure that board papers relating to the board agenda and detailed notes thereon pursuant to the foregoing provisions of this Article shall be circulated to the members of the Board in accordance with the Act.

**131. Quorum**

The quorum for a Board meeting shall be 1/3rd of its total strength or two Directors whichever is higher as provided in the Act and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

**132. Participation at a Board Meeting**

The participation of directors in a meeting of the Board maybe either in person or through video conferencing or audiovisual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

**133. Adjournment of meeting for want of Quorum**

If a meeting of the Board of Directors cannot be held for want of quorum, then the meeting shall stand adjourned until such date and at such time and place as the Chairman may appoint and in default of such appointment to the same day in the next week at the same time and place or if that day is a National holiday till the next succeeding day which is not a public holiday, at the sametime and place or to such day, time and place as the Directors present may determine.

**134. When meeting to be convened**

The Secretary shall, as and when directed by the Directors to do so, convene a meeting of the Board by giving a notice in writing to every other Director provided however that no meeting shall be convened unless advance intimation of at least seven days is provided for any such meeting.

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:

Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

**135. Chairman/ Chairperson**

An individual can be appointed or reappointed as the Chairperson/Chairman as well as the Managing Director or Chief Executive Officer at the same time.

Notwithstanding anything contained in this Article the Board of Directors may elect, from time to time, any of its members, as Chairman/ Chairperson. Subject to the provisions of the Act and of this Article, the Board shall have the power to nominate from time to time, any of its members as Vice Chairman/ Vice Chairperson on such terms and conditions as the Board thinks fit.

**136. Questions at Board Meeting how decided**

Questions arising at Meetings of the Board of Directors or a Committee thereof shall be decided by a majority of votes and in the case of an equality of votes, the Chairman shall have a second or casting vote.

**137. 1) Delegation of power**

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.

**2) Committee to conform to Board regulation**

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.

3) Participation at Committee

The participation of directors in a meeting of the Committee may be either in person or through videoconferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

138. Chairman / Chairperson of Committee

1) Chairman / Chairperson of Committee

A Committee may elect a Chairman / Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairman / Chairperson of such Committee.

2) Who to preside at meetings of Committee

If no such Chairman / Chairperson is elected, or if at any meeting the Chairman / 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 Chairman / Chairperson of the meeting.

3) Quorum for Committee

The quorum for the committee of the Board shall be 1/3rd or 2 whichever is higher for all committees of the Board, unless otherwise fixed by the Act, rules made thereunder or applicable Secretarial Standards, duly amended from time to time.

139. Meeting(s) of Committee

1) Committee to meet

A Committee may meet and adjourn as it thinks fit.

2) Question at Committee meeting how decided

Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.

3) Casting vote of Chairperson at Committee meeting

In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

4) Acts of Board or Committee valid notwithstanding defect of appointment

Subject to the provision of these articles, 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.

140. Resolution by circulation

Save as otherwise expressly provided in the Act and subject to these Articles, 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.

Date of passing of the circular resolution by majority of directors shall be the date on which the resolution is passed by the majority of the directors, unless any other date is specified in the resolution as effective date.

141. Participation through video conferencing or other audio visual means

Subject to the provisions of the Act and other applicable laws, Directors may participate in Board or Committee meetings by telephone or video conferencing or any other means of contemporaneous communication, provided that each Director must acknowledge his presence for the purpose of the meeting and any Director not doing so shall not be entitled to speak or vote at the meeting. A Director may not leave the meeting by disconnecting his or other means of communication unless he has previously obtained the express consent of the Chairman of the meeting and a Director shall conclusively be presumed to have been present and formed part of the quorum, voting, recording of minutes and all other relevant provisions in this regard, as may be permitted from time to time, at all times during the meeting unless he has previously obtained the express consent of the Chairman of the meeting to leave the meeting as aforesaid.

142. Minutes of proceedings of meetings of the Board

- 1) The Company shall cause minutes of the meeting of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of section 118 of the Act. The minutes shall contain a fair and correct summary of the proceedings of the meeting including the following:
  - i. The names of the Directors present at the meeting of the Board of Directors or any Committee thereof;
  - ii. All orders made by the Board of Directors;
  - iii. All resolutions and proceedings of meetings of the Board of Directors and Committees thereof;
  - iv. In the case of each resolution passed at a meeting of the Board of Directors or Committee thereof the names of Directors if any, dissenting from or not concurring in the resolution.
- 2) All such minutes shall be signed by the Chairman of the Concerned meeting or by the person who shall preside as Chairman at the next succeeding meeting and all the minutes purported to be so signed shall for all actual purposes whatsoever be prima facie evidence of the actual passing of the resolution recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meetings at which the same shall appear to have taken place.

143. General Powers of Directors

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 and these Articles or otherwise authorized to exercise and do, and, not hereby or by the statue 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

144. Consent of Company necessary for the exercise of certain powers

- 1) Subject to the provisions of section 180 the Act, the Board of Directors shall not exercise the following powers except with the consent of the Company accorded by a special resolution, namely:—

- a. to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

Explanation.—For the purposes of this clause,—

- b. “undertaking” shall mean an undertaking in which the investment of the company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent of the total income of the company during the previous financial year;

- c. the expression “substantially the whole of the undertaking” in any financial year shall mean twenty per cent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year;

- d. to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;

- e. to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company’s bankers in the ordinary course of business:

Provided that the acceptance by a banking company, in the ordinary course of its business, of deposits of money from the public, repayable on demand or otherwise, and withdraw able by cheque, draft, order or otherwise, shall not be deemed to be a borrowing of monies by the banking company within the meaning of this clause.

- f. Explanation.— For the purposes of this clause, the expression “temporary loans” means loans repayable on demand or within six months from the date of the loan such as short-term, cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature;

- g. to remit, or give time for the repayment of, any debt due from a director

- 2) Every special resolution passed by the company in general meeting in relation to the exercise of the powers referred to in clause (c) of sub-section (1) of Section 180 of the Act shall specify the total amount up to which monies may be borrowed by the Board of Directors.

#### 145. Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

- 1) Chief Executive Officer, etc.

Subject to the provisions of the Act,,—

- a) 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.

- b) A Whole time Key Managerial Personnel of a Company shall not hold the office in more than one company except in its subsidiary company at the same time.

2) Director may be chief executive officer, etc.

A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

## REGISTERS

### 146. Statutory Registers

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 under Section 88 of the Act and copies of annual return shall be open for inspection in accordance with Act on all working days, other than Saturdays, Sundays and public holidays at the registered office of the Company by the persons entitled thereto on payment, where required, of fees of Rupees fifty for each inspection. Provided further that, a copy of such return or register or entries therein can be furnished to the persons entitled thereto, on receipt of deposit of the fee of Rupees Ten for each page or such fees which shall not be less than the maximum permissible amount as may be prescribed in the Act and the Rules made thereunder.

### 147. Foreign register

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 with respect to keeping of any such register.

The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

### 148. COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION

Copies of Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every member at his request within seven days on payment of the sum of Rupee One for each copy.

## THE SEAL

### 149. The Seal its custody and use

1) The Board shall provide for the safe custody of the seal.

2) Affixation of seal

a) The Board Shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu of the same, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

b) Every Deed or other instrument, to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by any one Director or the Company Secretary or some other person authorized by the Board or a Committee thereof for the purpose.

## DIVIDENDS

150. Company in general meeting may declare dividends

The Board may, subject to the Act, recommend the amount of dividends to be paid by the Company. The Company in a General Meeting may declare dividends but no dividends shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

151. Interim Dividend

Subject to the provisions of section 123 of the Act and subject to the confirmation/ratification by the members at the Annual General Meeting, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

152. 1) Dividends only to be paid out of profits

The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper or that may be required under the Act as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, in its 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.

2) Carry forward of profits

Subject to the Act, the Board may also carry forward any profits which it may think prudent not to distribute as dividends, without setting them aside as a reserve.

153. (1) Division of profits

Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividends are paid.

(2) Payments in advance

No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this regulation as paid on the Share.

(3) Dividends to be apportioned

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 dividends are paid; but if any Share is issued on terms providing that it shall rank for purposes of payment of dividends as from a particular date such Share shall rank for dividends accordingly.

154. (1) No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom

The Board may deduct from any dividends payable to any Member all sums of money, if any, presently payable by such Member to the Company on account of calls or otherwise in relation to the Shares of the Company.

(2) Retention of dividends

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.

155. (1) Dividend how remitted

Any dividends, interest or other monies payable in cash in respect of Shares may be paid by permitted electronic means or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of 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.

(2) Instrument of payment

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(3) Discharge to Company

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 have made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

156. Receipt of one holder sufficient

Any one of two or more joint holders of a Share may give receipts for any dividends, bonuses or other monies payable in respect of such Share.

157. No interest on dividends

No dividend shall bear interest against the Company.

158. Waiver of dividends

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.

159. Capitalisation of profits

i) Capitalization

The company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

ii) Sum how applied

The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained herein, either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

160. Powers of the Board for Capitalization

- i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
  - (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.

- ii) Board's power to issue fractional certificate/coupon etc.

The Board shall have power—

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions; and
  - (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, 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 capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

- iii) Agreement binding on members

Any agreement made under such authority shall be effective and binding on such members.

ACCOUNTS

161. Books of Accounts to be kept

- 1) Inspection by Directors

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.

- 2) Restriction on inspection by members

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 authorized by the Board.

AUDIT

162. Accounts to be Audited

The Financial Statements shall be audited by the Auditors in accordance with the provisions of the Act.

DOCUMENTS AND NOTICE

163. By Advertisement

A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

164. On joint-holders.

A document or notice may be served or given by the Company on or to the joint-holders of a share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the share.

165. On personal representatives etc.

A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

166. To whom documents or notices must be served or given

Documents or notices of every General Meeting shall be served or given in same manner herein before authorized on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor or Auditors for the time being of the Company.

167. Members bound by documents or notices served on or given to previous holders

Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

168. Document or notice by Company and Signature thereto.

Any document or notice to be served or given by the Company may be signed by a director or some person duly authorized by the Board of Directors for such purposes and the signature thereto may be written, printed or lithographed.

169. Service of document or notice by member.

All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office.

## WINDING-UP

### 170. Winding up of the Company

Subject to the provisions of Act and rules made there under—

- (1) 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 among the Members, in specie or kind, the whole or any part of the assets of the Company, whether such assets consist of property of the same kind or not.
- (2) For the above mentioned purpose, the liquidator may set such value as the liquidator deems fair upon any property to be divided and may determine how such division shall be carried out as between the Members or different classes of Members.
- (3) The liquidator may, with such sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the liquidator shall think fit, but so that no member shall be compelled to accept any shares or such other securities whereon there is any liability.

## INDEMNITY AND RESPONSIBILITY

### 171. Directors' and officers' right to indemnity.

- (1) 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.
- (2) 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 judgment 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.
- (3) Insurance

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

### 172. General Power

Whenever in the Act, it has been provided that the Company shall have any right privileges or authority or that the Company could carry out any transaction only if the Company is authorized by its articles, then and in that case this regulation thereto authorizes and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

#### SECRECY CLAUSE

##### 173. Secrecy Clause

- (1) Every director, manager, auditor, trustee, member of a committee, officer, key managerial personnel, servant, agent, accountant or other person employed in the business of the Company, shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transaction and affairs of the Company with the customers and the state of the accounts with individuals and in realization thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or the Managing Director or to require discovery of any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Director or the Managing Director it will be inexpedient

## **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Red Herring 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 Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at The Pentagon, Unit No. 5A, Near Satara Road, Telephone Exchange Shahu College Road, Parvati, Pune 411009, Maharashtra, India , from date of filing this Red Herring Prospectus with RoC to Bid Closing Date on working days from 10.00 a.m. to 5.00 p.m.

### **Material Contracts**

1. Offer Agreement dated March 28, 2018 between our Company, the Selling Shareholder and the BRLM.
2. Registrar Agreement dated March 28, 2018 between our Company, the Selling Shareholder and Link Intime India Private Limited, Registrar to the Offer.
3. Underwriting Agreement dated April 17, 2018 between our Company, the Selling Shareholder and Underwriters viz. BRLMs
4. Share Escrow Agreement dated April 17, 2018 between our Company, the Selling Shareholder, the BRLM and the Share Escrow Agent.
5. Market Making Agreement dated April 17, 2018 between our Company, Market Maker and the BRLM
6. Public Offer Account Agreement dated April 17, 2018 amongst our Company, the BRLM, Banker(s) to the offer and the Registrar to the offer.
7. Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated April 06, 2018
8. Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated March 19, 2018
9. Syndicate Agreement dated April 17, 2018 between our Company, the BRLMs and Syndicate Member viz. Pantomath Stock Brokers Private Limited.

### **Material Documents**

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated March 03, 2018 in relation to the Offer and other related matters.
3. Shareholders' resolution dated March 07, 2018 in relation to the Offer and other related matters.
4. Certified copy of the extract of the resolution dated March 27, 2018 approving the offer for sale of Equity Shares offered by it in the Offer for Sale and Transmittal Letter dated March 28, 2018.
5. Statement of Tax Benefits dated April 12, 2018 issued by our Peer Reviewed Auditor.
6. Report of the Peer Reviewed Auditor dated April 12, 2018 on the Restated Financial Statements for the period ended on October 31, 2017 and for the financial years ended as on March 31, 2017, 2016, 2015, 2014 & 2013 of our Company.
7. Consents of Promoter, Directors, Selling Shareholder, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Reviewed Auditors, Banker to the Company,

Legal Advisor to the offer, the Book Running Lead Manager, Registrar to the Offer, Underwriter, Market Maker, Bankers to the Offer, Refund Banker to the Offer to act in their respective capacities.

8. Share Subscription and Shareholders' Agreement between Mr. Vijay Gupta, Mrs. Priti Gupta, B.K. Patel, our Company and SME Tech Fund (the "Investor") dated March 28, 2014 (the "SSHA").
9. Copy of in-principle approval from National Stock Exchange of India Limited *vide* letter dated April 18, 2018, to use the name of National Stock Exchange of India Limited in this offer document for listing of Equity Shares on Emerge Platform of National Stock Exchange of India Limited

None of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

We certify that all statements and undertakings made by us in this Red Herring Prospectus specifically in relation to ourselves or in connection with the Equity Shares offered by us in the Offer for Sale, are true and correct. We assume no responsibility for any other statements, including the statements made by the Company, any other Selling Shareholder, any expert or any other person, in this Red Herring Prospectus.

### **Signed by Selling Shareholder**

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Sd/-

Signed by the Selling Shareholder  
Rajasthan Trustee Company Private Limited A/c SME Tech Fund RVCF Trust II

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Place: Pune

Date: April 18, 2018

## **DECLARATION BY THE COMPANY**

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 / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Red Herring Prospectus are true and correct.

**Signed by all the Directors of our Company**

Name and Designation	Signature
Vijay Gupta <i>Chairman and Managing Director</i>	Sd/-
Priti Gupta <i>Whole Time Director</i>	Sd/-
Rahul Gupta <i>Independent Director</i>	Sd/-
Ravi Mathur <i>Non -executive(Nominee Director)</i>	Sd/-
Pillalamarri Sridhar <i>Independent Director</i>	Sd/-

Signed by Chief Financial Officer and Company Secretary & Compliance Officer of the Company

Sd/-  
Aishwaraya Patwardhan  
*Company Secretary & Compliance Officer*

Sd/-  
Anand Dad  
*Chief Financial Officer*

Place: Pune  
Date:- April 18, 2018

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

<b>Sr. No</b>	<b>Issue Name</b>	<b>Issue Size (Cr)</b>	<b>Issue Price (Rs.)</b>	<b>Listing date</b>	<b>Opening price on listing date</b>	<b>+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing</b>	<b>+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing</b>	<b>+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing</b>
1.	Focus Suites Solutions & Services Limited	6.50	18.00	February 09, 2018	21.60	77.78% (-0.26%)	Not Applicable	Not Applicable
2.	A and M Jumbo Bags Limited	4.00	65.00	February 12, 2018	70.50	0.85% (-1.07%)	Not Applicable	Not Applicable
3.	Sintercom India Limited	42.55	65.00	February 15, 2018	78.00	15.00% (-3.32%)	Not Applicable	Not Applicable
4.	Mohini Health & Hygiene Limited	20.71	42.00	February 16, 2018	50.40	61.90%(-3.43%)	Not Applicable	Not Applicable
5.	South West Pinnacle Exploration Limited	35.85	78.00	February 19, 2018	93.60	3.72% (-2.45%)	Not Applicable	Not Applicable
6.	Macpower CNC Machines Limited	36.61	140.00	March 22, 2018	149.00	Not Applicable	Not Applicable	Not Applicable
7.	Benara Bearings and Pistons Limited	33.49	63.00	April 3, 2018	64.00	Not Applicable	Not Applicable	Not Applicable
8.	S.S. Infrastructure Development Consultants Limited	17.11	40.00	April 12, 2018	42.95	Not Applicable	Not Applicable	Not Applicable
9.	Vera Synthetic Limited	5.34	40.00	April 12, 2018	45.00	Not Applicable	Not Applicable	Not Applicable
10.	Soni Soya Products Limited	4.5	25.00	April 12, 2018	26.00	Not Applicable	Not Applicable	Not Applicable

*Note:*

*Mahickra Chemicals Limited has registered its Red Herring Prospectus with the Registrar of Companies for Initial Public Offer.*

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

## SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	No.s of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 180th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
15-16	*9	54.01	-	-	1	3	2	3	-	1	1	4	3	-
16-17	**24\$	204.56	-	-	5	5	3	8	-	1	5	10	1	6
17-18	***31\$\$	623.50	-	-	5	9	7	9	-	1	2	11	2	4
18-19	****4\$\$\$	60.44	-	-	-	-	-	-	-	-	-	-	-	-

\*The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

\*\*The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016 December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

\*\*\*The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited and Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017 July 11, 2017, July 12, 2017, July

18, 2017, July 28, 2017, August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05, 2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017, October 12, 2017, December 26, 2017, December 29, 2017, February 05, 2018, February 08, 2018, February 09, 2018, February 12, 2018, February 15, 2018, February 16, 2018, February 19, 2018 and March 22, 2018 respectively.

\*\*\*\*The scripts of Benara Bearings and Pistons Limited, S.S. Infrastructure Development Consultants Limited, Vera Synthetic Limited and Soni Soya Products Limited were listed on April 3, 2018, April 12, 2018, April 12, 2018 and April 12, 2018 respectively.

\$. As on 30th trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infraprojects Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.

\$\$ The scripts of Ambition Mica Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited, Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited have not completed 180 Days, 180Days, 180 Days, 180 Days and 30 Days respectively from the date of listing.

\$\$\$ The scripts of Benara Bearings and Pistons Limited, S.S. Infrastructure Development Consultants Limited, Vera Synthetic Limited and Soni Soya Products Limited have not completed 30 Days, 30 Days, 30 Days and 30 Days respectively from the date of listing.

*Note: Majestic Research Services and Solutions Limited and Ambition Mica Limited are Further Public Offerings lead managed by Pantomath Capital Advisors Private Limited in the Financial Years 2016-17 and 2017-18 respectively and the same have not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.*

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY SIDBI**

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
1.	Perfect Infraengineers Ltd	5.77	23.00	November 20, 2015	26	0.43% (-0.28%)	-24.34% (-9.52%)	-24.78% (0.44%)
2.	Shree Tirupati Balajee FIBC Ltd	10.80	40.00	October 5, 2017	45	15.25% (5.70%)	58.12% (-3.51%)	39.25% (3.27%)
3.	Ambition Mica Ltd (FPO)	12.60	42.00	November 29, 2017	42.05	-2.26% (0.73%)	-2.26% (2.51%)	Not applicable
4.	Mohini Health & Hygiene Ltd	20.71	42.00	February 16, 2018	50.40	61.90% (-3.43%)	Not applicable	Not applicable
5.	Sarveshwar Foods Ltd	54.97	85.00	March 15, 2018	83.00	-25.88% (1.16%)	Not applicable	Not applicable

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then last trading price has been considered.

5. As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

**SUMMARY STATEMENT OF DISCLOSURE**

<b>Financial year</b>	<b>Total no. of IPO</b>	<b>Total funds raised (Rs. Cr)</b>	<b>Nos of IPOs trading at discount on 30<sup>th</sup> Calendar day from listing date</b>			<b>Nos of IPOs trading at premium on 30<sup>th</sup> Calendar day from listing date</b>			<b>Nos of IPOs trading at discount on 180<sup>th</sup> Calendar day from listing date</b>			<b>Nos of IPOs trading at premium on 180<sup>th</sup> Calendar day from listing date</b>		
			<b>Over 50%</b>	<b>Between 25-50%</b>	<b>Less than 25%</b>	<b>Over 50%</b>	<b>Between 25-50%</b>	<b>Less than 25%</b>	<b>Over 50%</b>	<b>Between 25-50%</b>	<b>Less than 25%</b>	<b>Over 50%</b>	<b>Between 25-50%</b>	<b>Less than 25%</b>
15-16	1	5.77	0	0	0	0	0	1	0	0	1	0	0	0
16-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17-18*	*4\$	99.08	0	1	1	1	0	1	-	-	-	-	1	-

\*The scripts of Shree Tirupati Balajee FIBC Ltd, Ambition Mica Limited, Mohini Health & Hygiene Ltd and Sarveshwar Foods Ltd were listed on October 5, 2017, November 29, 2017, February 16, 2018 and March 15, 2018 respectively.

\$The scripts of Ambition Mica Limited, Mohini Health & Hygiene Ltd and Sarveshwar Foods Ltd. have not completed 180 days, 180 days and 180 days respectively from the date of listing.