



**NINTEC SYSTEMS LIMITED**  
CIN: U72900GJ2015PLC084063

## Prospectus

Dated: March 18, 2016

Please read Section 32 of Companies Act, 2013

**Fixed Price Issue**

Our Company was incorporated as NINtec Systems Limited on August 04, 2015 with the Registrar of Companies, Gujarat as a public limited company under the provisions of the Companies Act 2013. For further details, please see the section titled **"History and Other Certain Corporate Matters"** beginning on page 88 of this Prospectus.

**Registered Office:** B-11 Corporate House, SG Highway, Bodakdev, Ahmedabad-380054, Gujarat, India;

**Tel:** +91-7940393909; **Fax No.:** +91-7940393909; **Website:** www.nintecsystems.com;

**Company Secretary and Compliance Officer:** Mr. Mukesh Jiwnani; **Email:** [cs@nintecsystems.com](mailto:cs@nintecsystems.com);

**Our Promoters:** Mr. Niraj C. Gemawat and Mr. Indrajeet A. Mitra

THE ISSUE	
PUBLIC ISSUE OF 18,80,000 EQUITY SHARES OF Rs.10 EACH ("EQUITY SHARES") OF NINTEC SYSTEMS LIMITED ("NSL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs.10 PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. 188.00 LACS ("THE ISSUE") OF WHICH, 1,00,000 EQUITY SHARES OF RS. 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 17,80,000 EQUITY SHARES OF RS. 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.33% AND 25.87%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.	
THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE OF RS.10/- IS 1.0 TIMES OF THE FACE VALUE	
THIS ISSUE IS BEING IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS 2009, AS AMENDED FROM TIME TO TIME. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATION 2009, AS AMENDED FROM TIME TO TIME. FOR FURTHER DETAILS, SEE SECTION TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 166 OF THIS PROSPECTUS.	
In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential Investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For further details, please refer to section titled "Issue Procedure" beginning on page 166 of this Prospectus.	
ELIGIBLE INVESTORS	
For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 166 of this Prospectus.	
RISKS IN RELATION TO THE FIRST ISSUE	
This being the first issue of the Company, there has been no formal market for the securities of the Company. The face value of the shares is Rs.10 per Equity Share and the issue price is 1.0 times of the face value. The Issue Price (as determined by Company in consultation with the Lead Manager) as stated under the chapter titled <b>"Basis for Issue Price"</b> beginning on page 59 of this Prospectus, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.	
GENERAL RISKS	
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Prospectus. <b>Specific attention of the Investors is invited to the section titled "Risk Factors" beginning on page 12 of this Prospectus.</b>	
COMPANY ABSOLUTE RESPONSIBILITY	
The Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document 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 issued through this Prospectus are proposed to be listed on the SME Platform of BSE. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principle listing approval for the shares being issued in this Issue. However, our Company has received an approval letter dated March 15, 2016 from BSE for using its name in this Prospectus for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").	
LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p><b>GUINNESS CORPORATE ADVISORS PRIVATE LIMITED</b> 18, Deshapriya Park Road, Kolkata - 700 026, West Bengal, India <b>Tel:</b> +91 33 30015555 <b>Fax:</b> +91 33 3001 5531 <b>Email:</b> <a href="mailto:gcapl@guinnessgroup.net">gcapl@guinnessgroup.net</a> <b>Website:</b> <a href="http://www.16anna.com">www.16anna.com</a> <b>Contact Person:</b> Ms. Alka Mishra / Mr. Mohit Baid <b>SEBI Registration No.:</b> INM 000011930</p>	 <p><b>BIGSHARE SERVICES PRIVATE LIMITED</b> E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400 072. <b>Tel:</b> +91 22 4043 0200 <b>Fax:</b> +91 22 2847 5207 <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Contact person:</b> Mr. Ashok Shetty <b>SEBI Registration No:</b> INR000001385</p>
ISSUE PROGRAMME	
ISSUE OPENS ON: TUESDAY, MARCH 29, 2016	ISSUE CLOSES ON: WEDNESDAY, APRIL 06, 2016

## TABLE OF CONTENTS

SECTION	CONTENTS	PAGE NO.
<b>I</b>	<b>GENERAL</b>	
	DEFINITIONS AND ABBREVIATIONS	2
	PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	9
	FORWARD LOOKING STATEMENTS	11
<b>II</b>	<b>RISK FACTORS</b>	12
<b>III</b>	<b>INTRODUCTION</b>	
	SUMMARY OF OUR INDUSTRY	24
	SUMMARY OF OUR BUSINESS	32
	SUMMARY OF FINANCIAL STATEMENTS	35
	ISSUE DETAILS	38
	GENERAL INFORMATION	39
	CAPITAL STRUCTURE	44
	OBJECTS OF THE ISSUE	54
	BASIS FOR ISSUE PRICE	59
	STATEMENT OF TAX BENEFITS	61
<b>IV</b>	<b>ABOUT OUR COMPANY</b>	
	INDUSTRY OVERVIEW	63
	OUR BUSINESS	71
	KEY INDUSTRY REGULATIONS AND POLICIES	78
	HISTORY AND CERTAIN OTHER CORPORATE MATTERS	88
	OUR MANAGEMENT	91
	OUR PROMOTERS AND PROMOTER GROUP	103
	GROUP COMPANIES / ENTITIES	109
	RELATED PARTY TRANSACTIONS	116
	DIVIDEND POLICY	117
<b>V</b>	<b>FINANCIAL INFORMATIONS</b>	
	FINANCIAL STATEMENTS AS RE-STATED	118
	FINANCIAL INDEBTEDNESS	134
	MANAGEMENTS DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS	135
<b>VI</b>	<b>LEGAL AND OTHER INFORMATION</b>	
	OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS	140
	GOVERNMENT AND OTHER APPROVALS	143
<b>VII</b>	<b>OTHER REGULATORY AND STATUTORY DISCLOSURES</b>	145
<b>VIII</b>	<b>ISSUE RELATED INFORMATION</b>	
	TERMS OF THE ISSUE	159
	ISSUE STRUCTURE	164
	ISSUE PROCEDURE	166
	RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	206
<b>IX</b>	<b>MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION</b>	207
<b>X</b>	<b>OTHER INFORMATION</b>	
	MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	303
	DECLARATION	305

## Section I: General

### Definitions and Abbreviations

#### Definitions

Terms	Description
“NINtec Systems Limited”, “NSL”, “Nintec”, “We” or “us” or “our Company” “the Company” or “the Issuer”	Unless the context otherwise requires, refers to NINtec Systems Limited, a Company incorporated under the Companies Act, 2013 vide a certificate of incorporation issued by the Registrar of Companies, Gujarat.
“you”, “your” or “yours”	Prospective Investors in this Issue

#### Conventional/General Terms

Terms	Description
AOA / Articles / Articles of Association	Articles of Association of NINtec Systems Limited, as amended from time to time
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI Listing Regulations.
Banker to the Company	Kotak Mahindra Bank Limited
Banker(s) to the Issue	The banks which are clearing members and registered with the SEBI as bankers to an issue and with whom the Public Issue Account will be opened, in this case being ICICI Bank Limited
Board of Directors/the Board/our Board/Director(s)	The Board of Directors of NINtec Systems Limited, including all duly constituted committees thereof
BSE	BSE Limited (the Designated Stock Exchange)
CIN	Corporate Identification Number
Companies Act / Act	Unless specified otherwise, this would imply to the provisions of the Company Act, 2013 (to the extent notified) and / or provisions of the Companies Act, 1956 w.r.t. to the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
DIN	Directors Identification Number
Equity Shares / Shares	Equity Shares of our Company of face value of Rs.10 each unless otherwise specified in the context thereof
Executive Directors	Executive Director is the Managing Director of our Company
Group Companies	Companies which are covered under the applicable accounting standards and other Companies as considered material by our Board. For details, see section entitled “Our Group Companies/Entities” on page 109.
Key Managerial Personnel / Key Managerial Employees	Key Managerial Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013, as described in the section titled “ <i>Our Management</i> ” on page 91
MOA / Memorandum / Memorandum of Association	Memorandum of Association of NINtec Systems Limited, as amended
Non Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. <b>OCBs are not allowed to invest in this Issue.</b>
Peer Review Auditor	M/s. R. T. Jain & Co., Chartered Accountants, the Peer Review Auditor of our

Terms	Description
	Company
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership Firm, Limited Liability Partnership, Joint Venture, or Trust or Any Other Entity or Organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoters	Promoters of the Company being Mr. Niraj C. Gemawat and Mr. Indrajeet A. Mitra
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations and disclosed in section entitled “Our Promoters and Promoter Group” on page 103.
Public Issue Account Agreement	Agreement entered into on March 17, 2016 between our Company, the Lead Manager, Banker to the Issue and Registrar to the Issue.
Registered office of our Company	Registered office of our Company, located at B-11 Corporate House SG Highway, Bodakdev, Ahmedabad- 380054, Gujarat, India
Registrar of Companies/RoC	Registrar of Companies, Gujarat
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME Exchange/ Stock Exchange	Unless the context otherwise requires, refer to the SME Platform of BSE Ltd.
SME Platform of BSE/Stock Exchange	The SME platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations
Statutory Auditor / Auditors	M/s. Samir M. Shah & Associates, Chartered Accountants the statutory auditors of our Company
SWOT	Analysis of strengths, weaknesses, opportunities and threats

#### Issue Related Terms

Terms	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Public Issue.
Allottee	The successful applicant to whom the Equity Shares are being / have been issued
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form/ASBA Applicant	The form in terms of which the applicant shall make an application to subscribe to the Equity Shares of the Company
Application Supported by Blocked Amount (ASBA)	Means an application for subscribing to an issue containing an authorization to block the application money in a bank account
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate application amount of the ASBA applicant, as specified in the ASBA Application Form
ASBA Location(s)/Specified Cities	Location(s) at which ASBA application can be uploaded by the Brokers, namely Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat
ASBA Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors
Basis of Allotment	The basis on which Equity Shares will be allotted to the successful Investors under the Issue and which is described in “Issue Procedure–Basis of Allotment” on page 200 of this Prospectus
Broker Centres	Broker centres notified by the Stock Exchanges, where applicants can submit the application forms to a Registered Broker. The details of such broker centres, along with the name and contact details of the Registered Brokers, are available on the

Terms	Description
	website of the BSE on the following link- <a href="http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3">http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3</a>
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue
Business Day	Any day on which commercial banks are open for the business
Category I Foreign Portfolio Investor(s)	FPIs who are registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	FPIs who are registered as Category II Foreign Portfolio Investors under the SEBI FPI Regulations.
Category III Foreign Portfolio Investor(s)	FPIs who are registered as Category III Foreign Portfolio Investors under the SEBI FPI Regulations.
Compliance Officer	The Company Secretary of our Company, Mr. Mukesh Jiwnani
Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue 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
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form used by ASBA Applicant and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Designated Date	The date on which funds are transferred from the ASBA Account(s) to the Public Issue Account in terms of this Prospectus.
Designated Market Maker	Guinness Securities Limited having Registered office at 216, 2 <sup>nd</sup> Floor, P.J. Towers, Dalal Street, Mumbai- 400 001, Mumbai, Maharashtra and Corporate office at Guinness House, 18, Deshapriya Park Road, Kolkata-700 026, West Bengal, India
Designated Stock Exchange	BSE Limited
Draft Prospectus	The Draft Prospectus dated March 02, 2016 filed with the BSE Limited
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants
Public Offering Issue/Issue size/ initial public issue/Initial Public Offer/Initial	Public issue of 18,80,000 Equity Shares of Rs.10/- each ("Equity Shares") of NINtec Systems Limited ("NSL" or the "Company" or the "Issuer") for cash at a price of Rs. 10/- per share (the "Issue Price"), aggregating to Rs.188.00 Lacs ("the Issue")
Issue Opening date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective applicants may submit their application
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 10/-
Lead Manager/LM	Lead Manager to the Issue being Guinness Corporate Advisors Private Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, Guinness Securities Limited is the sole Market Maker.
Market Maker Reservation Portion	The Reserved portion of 1,00,000 Equity Shares of Rs.10/- each at Rs.10/- per Equity Share aggregating to Rs. 10.00 Lacs for Designated Market Maker in the Public Issue of NINtec Systems Limited
Mutual Funds	A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996
Memorandum of Understanding	The arrangement entered into on February 12, 2016 between our Company, and Lead Manager pursuant to which certain arrangements are agreed in relation to the Issue
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 17,80,000 Equity Shares of Rs.10/- each at Rs.10/- per Equity Share aggregating to Rs. 178.00 lacs by NINtec Systems Limited.

Terms	Description
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 Investors / Applicant	All Applicants, including Category III FPIs, that are not Qualified Institutional Buyers or Retail Individual Investors, who apply for the Equity Shares of a value of more than Rs.200,000. (but not including NRIs other than Eligible NRIs)
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Issue Account / Public Issue Account	Account opened with Banker(s) to the Issue to receive monies from the SCSBs from the bank accounts of ASBA applicants on the designated date.
Qualified Institutional Buyers or QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of Rs. 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
Registrar/Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited
Retail Individual Investor(s)	Individual Investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, RTGS or the ASBA process, as applicable
Self-Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Underwriter	Guinness Corporate Advisors Private Limited
Underwriting Agreement	The Agreement between the Underwriter and our Company
Working Days	Working day shall be all trading days of stock exchanges excluding Sunday and bank holidays as per SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

#### Company/Industry Related Terms/Technical Terms

Terms	Description
BFSI	Bank Financial Services & Insurance
BPM	Business Process Management
BPO	Business Process outsourcing
CAGR	Compound Annual Growth Rate
ERP	Enterprise Resource Planning
ESC	Electronics & Computer Software Export Promotion Council
ISVs	Independent Software Vendors
IT	Information Technology
ITes	Information Technology Enabled Services
OCI	Overseas Citizen of India
OPD	Outsourced Product Development
QA	Quality Assurance
R & D	Research & Development
SEZ	Special Economic Zone
SQL	Structured Query Language
STC	Strategic Technology Consulting
STPI	Software Technology Parks of India
USP	Unique Selling Proposition



## Abbreviations

Terms	Description
A/c	Accounts
AGM	Annual General Meeting
AIF	Alternative Investment Fund
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A. Y.	Assessment Year
B. A	Bachelor of Arts
B.Com	Bachelor of Commerce
BG/LC	Bank Guarantee / Letter of Credit
BSc	Bachelor of Science
B.V.	Besloten Vennootschap
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
C. S.	Company Secretary
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting
EPS	Earning Per Equity Share
ESOP	Employee Stock Option Plan
EMD	Earnest Money Deposit
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India.
FPIs	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulation 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
FY / Fiscal	Financial Year
FV	Face Value
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GOI/ Government	Government of India
HUF	Hindu Undivided Family
HNI	High Networth Individual
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
INR /₹/Rs/ Rupees	Indian Rupees, the legal currency of the Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulation	The Securities and Exchange Board of India(Prohibition of Insider Trading) Regulation, 2015, as amended
IPO	Initial Public Offer
IRDA	Insurance Regulatory and Development Authority

Terms	Description
ISIN	International Securities Identification Number
I.T. Act	The Income Tax Act, 1961, as amended
I.T. Rules	The Income Tax Rules, 1962 as amended, except as stated otherwise
KMP	Key Managerial Personnel
Kvk-nummer	Chamber of Commerce Register Number
LM	Lead Manager
Ltd.	Limited
Maternity Benefit Act	Maternity Benefit Act, 1961
M. A	Master of Arts
MCA	The Ministry of Corporate Affairs
M.B.A	Master of Business Administration
M. Com	Master of Commerce
MIS	Management Information System
Mn	Million
MoF	Ministry of Finance
MOU	Memorandum of Understanding
NA	Not applicable
NAV	Net Asset Value
NECS	National Electronic Clearing System
NI Act	Negotiable Instrument Act, 1881
No.	Number
NOC	No Objection Certificate
Notified Section	The sections of Companies Act, 2013 that have been notified by MCA and are currently in effect
NR	Non Resident
NRE Account	Non Resident (External) Account
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
OFS	Offer for Sale
p.a.	Per annum
PAC	Person Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price/Earnings Ratio
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
ROE	Return on Equity
ROC/Registrar of Companies	The Registrar of Companies
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
RSIN	Rechtspersonen en Samenwerkingsverbanden Identificatienummer (identification number for legal entities and associations)
RTGS	Real Time Gross Settlement
₹	Indian Rupees, the official currency of Republic of India
Sec	Sections
SICA	Sick Industrial Companies (Special Provisions) Act 1985
SME	Small And Medium Enterprises
S.N.	Serial Number
STT	Securities Transaction Tax
TAN	Tax deduction Account Number
TIN	Taxpayers Identification Number



Terms	Description
TRS	Transaction Registration Slip
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
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
w.e.f.	With effect from
YoY	Year on Year

## **Presentation of Financial, Industry and Market Data**

### **Financial Data**

Unless stated otherwise, the financial data in this Prospectus is extracted from the financial statements of our Company for the period ended February 15, 2016 and the restated financial statements of our Company for the period ended February 15, 2016, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors and the SEBI Regulations and set out in the section titled “*Financial Information*” on page 118. 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 Regulations. Our fiscal years commence on April 1 and end on March 31. In this 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, US GAAP and IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

### **Currency of Presentation**

All references to “Rupees” or “Rs.”, “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S.\$” or “U.S. Dollar(s)” are to United States Dollars, if any, the official currency of the United States of America. This Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Prospectus, throughout all figures have been expressed in Lacs, except as otherwise stated. The word “Lacs”, “Lac”, “Lakhs” or “Lakh” means “One hundred thousand”.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

### **Industry & Market Data**

Unless otherwise stated, Industry & Market data used throughout this Prospectus has been obtained from internal Company reports and Industry publications and the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

### **Definitions**

For definitions, please see the chapter titled “*Definitions and Abbreviations*” beginning on page 2 of this Prospectus. In the section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page 207 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## **Industry & Market Data**

Unless otherwise stated, Industry & Market data used throughout this Prospectus has been obtained from internal Company reports and Industry publications and the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

### **Forward Looking Statements**

Our Company has included statements in this Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others general economic conditions, political conditions, regulatory changes pertaining to the relevant industry scenario in India, technological changes, our exposure to market risks which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, etc.

Further, the other important factors that could cause actual results to differ materially from expectations are as follows:

- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- Changes in foreign exchange rates or other rates or prices;
- Our failure to keep pace with rapid changes in entertainment sector;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Changes in political condition in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Government approvals;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;
- Conflicts of interest with affiliated companies, the Group Entities and other related parties;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "*Risk Factors*" on page 12 of this Prospectus. By their nature, certain 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. Our Company, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

## **Section II - Risk Factors**

*An Investment in equity involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Prospectus before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.*

*Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Prospectus, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Result of Operations" and the "Financial Information" included in this Prospectus beginning on pages 71, 135 & 118 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.*

*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.*

### **Materiality**

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

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

*The risk factors are as envisaged by the management. Wherever possible, the financial impact of the risk factors has been quantified.*

### **Internal Risk Factors**

1. *The property used by our Company for our registered office is not owned by us and we have only rights as a lessee over the same. Any adverse impact on the title / ownership rights of the owner or breach of the terms / non renewal of the license agreement may impede our effective operations and thus adversely affect our profitability.*

Our registered office is not owned by our Company and is taken on a lease basis. Any adverse impact on the title /ownership rights of the owner, from whose premises we operate our registered office, or breach of the terms / non renewal of the license agreement may cause disruption in our corporate affairs and business and impede our effective operations and thus adversely affect our profitability. For more information, see "Our Business—Properties" on page 71.

2. *We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.*

Our success largely depends on the continued services and performance of our management, our technical team and other key personnel as our business is revolving around technical capabilities of our personnel's which is human approach to be precise with. The loss of service of the management, our technical team and key personnel could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

3. *Our Company has limited operating history and therefore investors may not be able to assess our Company's prospects based on past results.*

We have been incorporated in the August 2015 and fiscal 2016 is the first year of operations. Since we have limited operating history in this business, consequently there will be only limited information with which to evaluate the quality of our projects and our current or future prospects on which to base the investment decision.

**4. If we are unable to manage our growth, our business could be disrupted.**

The growth of our business depends on the operations to realize our vision of attaining size and to improve our cost competitiveness in the software development industry, and to reduce costs in our business. In order to achieve such future growth, we need to effectively manage our new project, our resources and accurately assess new markets, attract new customers, obtain sufficient financing, control our input costs, maintain sufficient operational and financial controls and make additional capital investments to take advantage of anticipated market conditions and keep on learning and inventing on technology. We expect our growth to place significant demands on our management and other resources. Any inability to manage our growth could have an adverse effect on our business, financial condition and results of operations.

**5. There are outstanding legal proceedings involving our Company, Promoters and Promoter Group Companies.**

***Litigation against our Promoter Group Companies***

(Rs. in Lacs)

Particulars	Nature of Cases	No. of outstanding cases	Aggregate Amount involved (if ascertainable)
Gateway TechnoLabs Pvt. Ltd.	Income Tax	8	3973.76/-

***Litigation by our Promoter Group Companies***

(Rs. in Lacs)

Particulars	Nature of Cases	No. of outstanding cases	Aggregate Amount involved (if ascertainable)
Gateway TechnoLabs Pvt. Ltd.	Civil Suit	1	31.09/-

**6. One our Group Company has posted negative net worth in last financial year.**

One of our Group Company as tabled below has posted negative net worth in the last financial year. The details are as under:

(Rs. in Lacs)

Name of Group Company	Net worth in the fiscal years ended		
	2015	2014	2013
Gateway Education and Training Private Limited	(16.07)	(14.95)	(13.13)

**7. We have entered into certain related party transactions and may continue to do so.**

We have entered into related party transactions with our Promoters, its promoter group members/ entities and Directors. While we believe that all such transactions have been conducted on the arms' length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we may enter into related party transactions in the future. For details of these transactions, please refer to section titled "Related Party Transactions" at page 116 of this Prospectus.

**8. We have reported negative cash flows.**

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. in Lacs)

Particulars	As at 15 <sup>th</sup> February 2016
Net Cash from Operating Activities	(0.89)
Net Cash from Investing Activities	(470.37)
Net Cash from Financing Activities	500.00



- 9. *Changes in technology may render our current technologies obsolete or require us to make substantial new investments to seek to remain competitive. The cost of implementing any new technologies could be significant and could adversely affect our business and financial condition.***

While we regularly upgrade our technology, the emergence of newer technologies could render our current technology ineffective or obsolete and may adversely affect the cost structure and competitiveness of our products and services. Changes in technology with which we are unable to keep pace, or which render our products and services less useful to customers and the market, could affect our growth, business, financial condition and results of operations.

- 10. *The factors that adversely affect the foreign country's economy, or our ability to do business in, may adversely affect our business.***

Economic slowdowns, declines in the value, changes in laws including those relating to data security and privacy, laws that impose restrictions on outsourcing or hiring local employees or any other restrictions or factors that adversely affect the economic health of, or our ability to do business in, foreign country may adversely affect our business and profitability.

- 11. *Our business and the businesses of many of our customers are subject to regulation in the countries in which we operate.***

The maintenance and expansion of our business is dependent upon, among other things, our ability to obtain and maintain required governmental licenses and authorizations in any country in which we operate, in a timely manner, at reasonable costs and on satisfactory terms and conditions. Failure by us or the customers we depend on to obtain the requisite licenses and authorizations, or loss of such licenses and authorizations, in any country may effectively prevent us from providing our services in such country or otherwise affect our business and results of operations.

- 12. *Our revenues are dependent upon our meeting specific customer requirements largely on a case-to-case basis. Any failure or limitation on our ability to provide customised software services may detrimentally affect our future growth.***

Our assignments for providing services largely involve us providing business and software solutions on a case-to-case basis, depending upon the needs of each customer. Our inability to provide customised software solutions could lead to erosion of our market image, which could lead to customers discontinuing their work with us and stagnation of our customer base, which in turn could harm our business and profitability. Our future growth will depend on our continued evolution of specific sets of customised services to deal with the rapidly evolving and diverse needs of our customers in a cost competitive and effective manner.

- 13. *Our Products and Services cater to specific industries. Factors that adversely affect these industries or product spending by companies within these industries may adversely affect our business.***

We develop certain products / solutions and provide services that are sector specific and are used by clients who belong to that particular sector only. Any significant decrease in IT or product spending or outsourcing by customers in the industries to which we cater and from which we derive significant revenues, in the future may reduce the demand for our products and services and may have an adverse effect on our financial results.

- 14. *We require a number of approvals, licenses, registration and permits for our business and failure to obtain or renew them in a timely manner may adversely affect our operations. In some cases, we may be operating without all the required permissions, risking civil and criminal sanctions.***

We may require several statutory and regulatory permits, licenses and approvals in the ordinary course of our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by

us or at all. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension, delay in issuance or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled “Key Industry Regulations and Policies in India” and “Government and Other Approvals” at pages 78 and 143 respectively of this Prospectus.

**15. *Delay in raising funds from the IPO could adversely impact the implementation schedule.***

The proposed objects, as detailed in the section titled “Objects of the Issue” are to be largely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

**16. *Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and actual cost may vary compared with the estimated amount.***

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board. In addition, schedule of implementation as described herein are based on management’s current expectations and are subject to change due to various factors some of which may not be in our control. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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

We commit resources to projects prior to receiving advances or other payments from customers in amounts sufficient to cover expenditures on projects as they are incurred. We may be subject to working capital shortages due to delays or defaults in customer payments. If customers default in their payments on a project to which we have devoted significant resources or if a project in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our business, financial condition and results of operations.

**18. *Our Company may require additional capital resources to achieve our object of Issue.***

The rate of our expansion will depend to an extent on the availability of adequate debt and equity capital. Further, the actual expenditure incurred may be higher than current estimates owing to but not limited to, implementation delays or cost overruns. We may, therefore, primarily try to meet such cost overruns through our internal generations and in case if the same is not adequate, we may have to raise additional funds by way of additional term debt from banks/ financial institutions and unsecured loans, which may have an adverse effect on our business and results of operations.

**19. *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 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 business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future

may be different from those presently in use. No assurance can be given that our analysis of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**20. *Increase in wages for IT professionals could reduce our cash flows and profit margins.***

Historically, wage costs in the Indian IT services industry have been significantly lower than wage costs in more developed countries for comparable skilled technical personnel. However, in recent years wage costs in the Indian services industry have been increasing at a faster rate than those in certain developed countries. In the long run, wage increases may make us less competitive unless we are able to continue to increase the efficiency and productivity of our professionals, the prices we can charge for our products and services or both. Increases in wages, could also reduce our cash flows and our profit margins.

**21. *We have not protected our assets through insurance coverage and our assets are certain operating risks and this may have a material adverse impact on our business.***

We have not maintained any insurance policy to provide adequate coverage to our assets. Any damage or loss of our assets would have a material and adverse impact on our business operations and profitability.

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

We have not paid any dividends since incorporation and there can be no assurance that dividends will be paid in future. Our ability to pay dividends in future will depend on the earnings, financial condition, cash flow, working capital requirements and capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our results of future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot guarantee our ability to pay dividend.

**23. *Our Board of Directors and management may change our operating policies and strategies without prior notice or shareholders approval.***

Our Board of Directors and Management has the authority to modify certain of our operating policies and strategies without prior notice (except as required by law) and without shareholder's approval. We cannot predict the effect of any changes to our current operating policies or strategies, on our business, operating results and the price of our Equity Shares.

**24. *Quality concerns for our services could adversely impact our business.***

The business of our Company is dependent on the trust our customers have in the quality of our services. The services provided by us to our customers, which do not comply with the quality specifications or standards prevalent in the business segment, may result in customer dissatisfaction, which may have an adverse effect on our profitability.

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

We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and networks. To address these issues and to minimise the risk of security breaches we employ security systems, including firewalls and intrusion detection systems, conduct periodic penetration testing for identification and assessment of potential vulnerabilities and, use encryption technology for transmitting and storing critical data such as passwords. However, these systems may not guarantee prevention of frauds, break-ins, damage and failure. A significant failure in security measures could have an adverse effect on our business.

**26. *Our Company does not have any long-term contracts with our customers which may adversely affect our results of operations.***

Our Company has not entered into any long-term contracts with our customers. Hence there is no assurance that our present customers will continue to procure orders from us. Any loss of our major customers can lead to reduced business and margins and adversely affect our results of operations.

**27. *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 or at all. There is no guarantee that we will successfully execute our business strategies on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. 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.

**28. *We do not have any insurance coverage for protecting us against any material hazards.***

At present, we do not have any insurance policy for protecting us against any material hazards. Any damage suffered by us in respect of any events would not be covered under any insurance and we would bear the effect of such losses.

**29. *Rise in input costs may affect our profitability.***

The input costs of the products/services of the Company may increase due to various reasons. In case the Company is not able to pass on such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

**30. *We face competition in our business from both domestic and international competitors. Such competition would have an adverse impact on our business and financial performance.***

The industry, in which we are operating, is highly and increasingly competitive and unorganized and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

**31. *Some of our Group Entities operate in the same line of business as us, which may lead to competition with such Group Entities***

Some of our Group Entities are involved in the same line of business as our Company. We may hence have to compete with our Group Entities for business, which may impact our business, financial condition and results of operations. The interests of our Promoters may also conflict in material aspects with our interests or the interests of our shareholders. For further details, see “Group Companies/Entities” on page 109.

**32. *Our trademark is not registered under the Trade Marks Act, our ability to use the trademark may be impaired.***

Our company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection. If our trademark is not registered it can allow any person to use a deceptively similar mark and market its product, which could be similar to the products offered by us. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease.

## External Risk Factors

### 1. *Political, economic and social changes in India could adversely affect our business.*

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

### 2. *Changing laws, rules and regulations including adverse application of tax laws and regulations-such as application of goods and service tax could adversely affect our business, results of operations and cash flows.*

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new laws, rules and regulations in India applicable to us and our business. Please refer to the section "Key Industry Regulations and Policies" beginning on page 78 for details of the laws currently applicable to us.

For instance, the Government of India has proposed a comprehensive national goods and service tax("GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Although the Government announced that it is committed to introduce GST with effect from April 1, 2016, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Recently, the Central Government pursuant to a notification dated May 19, 2015 notified an increase in service tax rate from 12.36% to 14%(with effect from June 1, 2015), as was proposed in Union Budget 2015. The levy of Education Cess and Secondary and Higher Education Cess on taxable services ceased to have effect from June 1, 2015. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payables. Additionally, the central or state government may in the future increase the corporate income tax it imposes.

### 3. *Our business may be adversely affected by competition laws in India and any adverse application or interpretation of the Competition Act could adversely affect our business.*

The Competition Act, 2002, as amended (the "Competition Act"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of clients in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, financial condition or results of operation.

### 4. *Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.*

The revenues recorded and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred.

Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year.

**5. *Natural calamities and force majeure events may have an adverse impact on our business.***

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

**6. *Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.***

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period.

**7. *Restrictions on foreign investment limit our ability to raise debt or capital outside India.***

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to invest in us. Foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board.

**8. *Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or 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 is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

**9. *Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

**10. *Third party statistical and financial data in this Prospectus may be incomplete or unreliable.***

We have not independently verified any of the data from industry publications and other sources referenced in this Prospectus and therefore cannot assure you that they are complete or reliable. Discussions of matters relating to India, its economies or the industries in which we operate in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.



**11. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to greater compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Companies Act, 2013 have been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions and the requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act, 2013 is expected to be complemented by a set of rules that shall set out the procedure for compliance with the substantive provisions of the Companies Act, 2013. In the absence of such rules, it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the Companies Act, 2013 on the issue, and on the business, prospects and results of operations of the Company.

**Risks relating to the Equity Shares**

**12. *Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

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

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

**14. *The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.***

Prior to the offer, there has been no public market for our Equity Shares, and an active trading market on the SME Platform of BSE. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the Information Technology Industry, developments relating to India and volatility in the Exchange and securities markets elsewhere in the world. However, the LM will arrange for compulsory market making for a period of 3 years from the date of listing as per the regulations applicable to the SME Platforms under SEBI (ICDR) Regulations, 2009.

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

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of shares issued. We have only applied to BSE Limited to use its name as the Stock Exchange in this offer document for listing our shares on the SME Platform of BSE. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

Prior to this Issue, there has been no public market for our Equity Shares. Guinness Securities Limited is acting as Designated Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares

may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the section titled "*General Information – Details of the Market Making Arrangement for this Issue*" on page 39 of this Prospectus.

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

Following the Issue, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The BSE may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**Prominent Notes:**

1. Public Issue of 18,80,000 Equity Shares of Rs.10 each ("Equity Shares") for cash at a price of Rs. 10 per Equity Share, aggregating to Rs. 188.00 lacs ("the Issue") by NINtec Systems Limited ("NSL" or the "Company" or the "Issuer") Out of the Issue, 1,00,000 Equity Shares of Rs. 10 each at a price of Rs.10 per Equity Share aggregating to Rs. 10.00 Lacs, which will be reserved for subscription by Market Maker to the issue (the "Market Maker reservation portion") and Net Issue to the Public of 17,80,000 Equity Shares of Rs.10 each at a price of Rs.10 each per Equity Share aggregating to Rs.178.00 Lacs (hereinafter referred to as the "Net Issue"). The Issue and the Net Issue will constitute 27.33% and 25.87%, respectively of the post issue paid up Equity Share capital of the Company.
2. This Issue is being made for at least 25% of the post issue paid up Equity Share capital of our Company, pursuant to Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue 'the allocation' is the net issue to the public category shall be made as follows:
  - a) Minimum fifty percent to retail individual investors; and
  - b) Remaining to:
    - i. Individual applicants other than retail individual investors; and
    - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

3. The average cost of acquisition of Equity Shares by our Promoters:

(in Rs.)

Name of the Promoters	No. of Shares held	Average cost of Acquisition
Niraj C. Gemawat	12,50,000	10.00
Indrajeet A. Mitra	3,22,500	10.00

*Note :The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer the Equity Shares. For more information, please refer to the section titled “Capital Structure” on page 44.*

4. Our Net worth as on February 15, 2016 is Rs. 517.92 Lacs as per Restated Financial Statements.
5. The Book Value per share as on February 15, 2016 is Rs. 10.36 as per Restated Financial Statements.
6. There was no change in the name of the Company at any time during last three years immediately preceding the date of filing of this offer document. For further details, please refer to the section titled “History and Certain Other Corporate Matters” on page 88 of this Prospectus.
7. In the event of over subscription, allotment shall be made on proportionate basis in consultation with the BSE Limited, the Designated Stock Exchange. For more information, please refer to “Basis of Allotment” on page 200 of this Prospectus. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
8. Investors are advised to refer to the paragraph on “Basis for Issue Price” on page 59 of this Prospectus before making an investment in this Issue.
9. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, key management employee, associate companies, or Group Companies.
10. Investors may contact the Lead Manager or the Compliance Officer for any complaint/clarifications/information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.
11. Other than as stated in the section titled “Capital Structure” beginning on page 44 of this Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
12. Except as mentioned in the sections titled “Capital Structure” beginning on page 44 of this Prospectus, we have not issued any Equity Shares in the last twelve months.
13. Except as disclosed in the sections titled “Our Promoters and Promoter Group” or “Our Management” beginning on pages 103 and 91 respectively of this Prospectus, none of our Promoters, our Directors and our Key Managerial Employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.
14. Any clarification or information relating to the Issue shall be made available by the LM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the LM for any complaints pertaining to the Issue. Investors are free to contact the LM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.

15. Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.
16. For transactions in Equity Shares of our Company by the Promoters, Promoter Group and Directors of our Company in the last six (6) months, please refer to paragraph under the section titled "*Capital Structure*" on page 44 of this Prospectus.
17. There are no contingent liabilities as on February 15, 2016.
18. For details of any hypothecation, mortgage or other encumbrances on the movable and immovable properties of our Company please refer to the section titled "*Financial Information*" on page 118 of this Prospectus.
19. Except as disclosed in the section titled "*Group Companies / Entities*" on page 109, none of our Group Companies have business interest in our Company.
20. For interest of Promoters please refer to the section titled "*Our Promoters and Promoter Group*" beginning on page 103 of this Prospectus.
21. The details of transactions with the Group Companies/ Group Enterprises and other related party transactions are disclosed as Annexure XIX of restated financial statement under the section titled "*Financial Information*" on page 118 of the Prospectus.

## **Section III– Introduction**

### **Summary of our Industry**

*This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read this entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” and related notes beginning on page 12 and 118 respectively of this Prospectus before deciding to invest in our Equity Shares.*

### **Introduction**

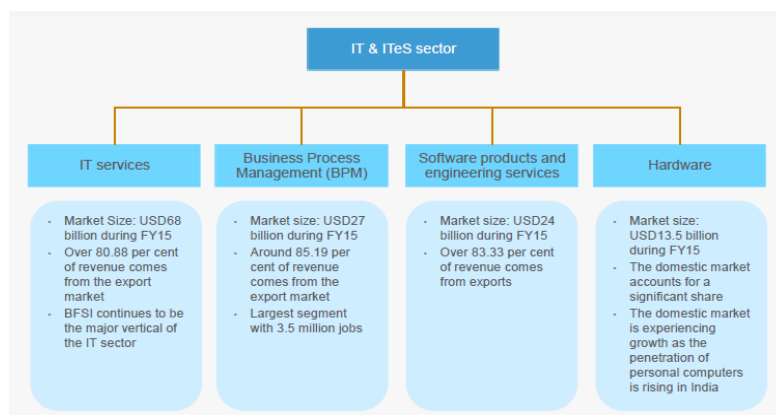
#### **Information Technology Industry**

India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The industry employs about 10 million workforce. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its unique selling proposition (USP) in the global sourcing market. 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.

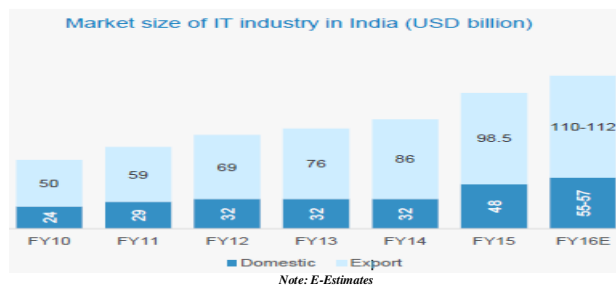
The IT-BPM sector in India grew at a Compound Annual Growth Rate (CAGR) of 15 per cent over 2010-15, which is 3-4 times higher than the global IT-BPM spend, and is estimated to expand at a CAGR of 9.5 per cent to US\$ 300 billion by 2020.

#### **Segments of India's IT Sector**

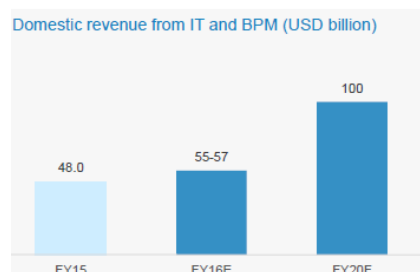


#### **Market size of IT Industry in India**

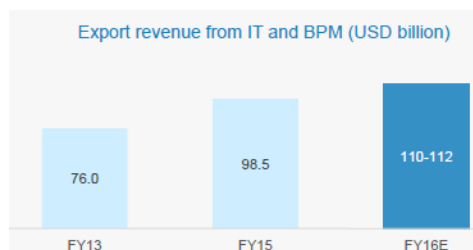
India's technology and BPM sector (including hardware) has generated revenues of USD146.5 billion during FY15 compared to USD118 billion in FY14, implying a growth rate of 23.72 per cent. The contribution of the IT sector to India's GDP rose to approximately 9.5 per cent in FY15 from 1.2 per cent in FY98.



**Domestic Revenue from IT and BPM sector is expected to touch USD (\$) 55 billion during FY16.**



**Export revenue from IT and BPM:** - India's IT industry amounts to 4.26 per cent of the global market, largely due to exports as of 2015. In the year 2015 India comprised of around 500 BPM players generating revenue of USD23 billion, which is expected to rise and reach 50 billion in 2020.



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

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

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

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

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

#### **Engineering Offshoring:**

- In 2014, India was the most preferred location for Engineering off shoring, as per a customer poll Companies are now off shoring complete product responsibility.



- The sector includes 640 Offshore Development Centres (ODCs) of 78 countries.

**Most Lucrative Sector for Investments:**

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

**Changing Business Dynamics:**

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

**Large players gaining advantage:**

- Large players with a wide range of capabilities are gaining ground as they move from being simple maintenance providers to full service players, offering infrastructure, system integration and consulting services.
- Of the total revenue, about 80 per cent is contributed by 200 large and medium players.

**New technologies:**

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

**Growth in non-linear models:**

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

**Consumerisation of IT:**

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

**Emergence of Tier II cities:**

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

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

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

### Rural Development:

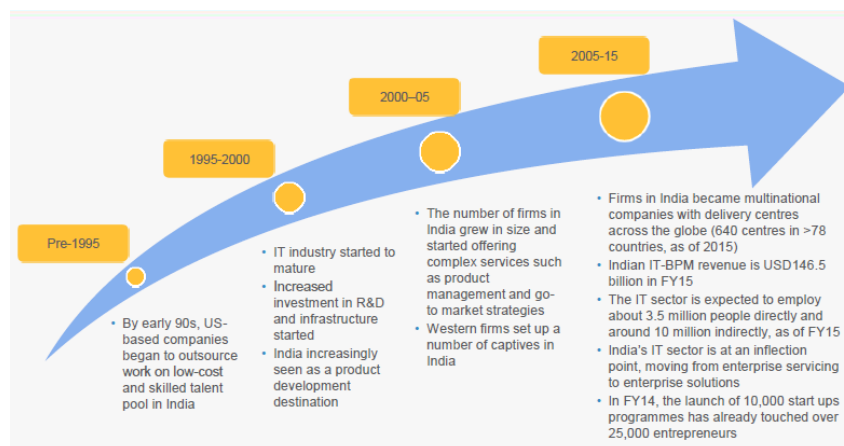
- The National Optical Fibre Network (NOFN) is being laid down in phases to connect all the 250,000 gram panchayats in the country.

### Advantage India

- Strong growth in demand for exports from new verticals.
- Rapidly growing urban infrastructure has fostered several IT centres in the country.
- Expanding economy to propel growth in local demand.
- Cost savings of 60–70 per cent over source countries.
- A preferred destination for IT & ITeS in the world; continues to be a leader in the global sourcing industry with 55 per cent market share.
- The Indian IT industry has saved clients USD200 Billion in the past five years.
- IT firms in India have delivery centres across the world; as of 2015, IT firms had a total of 640 centres in >78 countries.
- India's IT industry amounts to 12.3 percent of the global market, largely due to exports.
- IT & ITes industry is well diversified across verticals such as BFSI, telecom and retail.
- Tax holidays extended to the IT sector.
- More liberal system for raising global capital, funding for seed capital & growth, and ease of doing business, etc. have been addressed.
- USD0.17 billion have been allocated for raising global capital, start ups.
- Income Tax cut on royalty fee on tech services to 10 per cent.
- Cumulative FDI inflow in computer software & hardware is USD18,170.24 million from April 2000 to September 2015.

### Market Overview and Trends

#### Evolution of India's IT Sector



### Growth Drivers

IT Sector to be driven by Strong Demand and Indian Expertise



#### **Global demand:**

- Global BPM spending estimated to rise by 4.4% and reach USD2.7 billion in 2015.
- Global IT services spending is expected to have declined by at around 5.5 per cent during 2015 and reached USD 3.5 trillion.

#### **Policy support:**

- Tax holidays for Software Technology Park of India (STPI) and Special Economic Zone (SEZs).
- More liberal system for raising capital, seed money and ease of doing business.
- A fund of around USD16.5 million to promote new technology start-ups in the 2015-16 Budget.

#### **Infrastructure:**

- Robust IT infrastructure across various cities in India such as Bengaluru.
- Technology mission for services in villages and schools, training in IT skills and e-Kranti for government service delivery and governance scheme.

#### **Domestic Growth:**

- Computer penetration expected to Increase.
- Increasing adoption of technology and telecom by consumers and focused government initiatives leading to increased Information and communications technology (ICT) adoption.

#### **Talent pool:**

- 5.8 million graduates are estimated to have been added to India's talent pool in FY15, 1.5 million form ready to hire pool.
- Strong mix of young and experienced professionals.

#### **Opportunities**

##### **New Geographies:-**

- BRIC nations, continental Europe, Canada and Japan have IT spending of approximately USD380–420 billion.
- The Adoption of technology and outsourcing is expected to make Asia the second largest IT market.

**New customer segments:-**

- Small and Medium Businesses have IT spend of approximately USD230–250 billion, but contribute just 25 per cent to India's IT revenue.
- The emergence of new service offerings and business models would aid in tapping market profitably and efficiently.

**New verticals:-**

- Government, healthcare, media and utilities together have IT spend of approximately USD190 billion, but account just 8 per cent of India's IT revenue.
- Non-linear growth due to platforms, products and automation.
- Emerging verticals (retail, healthcare, utilities) are driving growth.

**Investment**

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 18.17 billion between April 2000 and September 2015, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Indian start-ups are expected to receive funding worth US\$ 5 billion by the end of 2015, a 125 per cent increase in a year, according to a report by IT Industry association NASSCOM.

The private equity (PE) deals increased the number of mergers and acquisitions (M&A) especially in the e-commerce space in 2014. The IT space, including e-commerce, witnessed 240 deals worth US\$ 3.8 billion in 2014, as per data from Dealogic.

India also saw a ten-fold increase in the venture funding that went into internet companies in 2014 as compared to 2013. More than 800 internet start-ups got funding in 2014 as compared to 200 in 2012, said Rajan Anandan, Managing Director, Google India Pvt Ltd and Chairman, IAMA.

About 554 start-ups received funding this year compared to 342 during last year. Seed and venture capital funds made investments worth US\$ 3.4 billion this year, three times the investment made last year. VC funding to the IT/ITes sector amounted to 55 per cent of total VC funding made this year.

Most large technology companies looking to expand have so far focused primarily on bigger enterprises, but a report from market research firm Zinnov highlighted that the small and medium businesses will present a lucrative opportunity worth US\$ 11.6 billion in 2015, which is expected to grow to US\$ 25.8 billion in 2020. Moreover, India has nearly 51 million such businesses of which 12 million have a high degree of technology influence and are looking to adopt newer IT products, as per the report.

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

- Housejoy, an online home services provider, has raised Rs 150 crore (US\$ 22.4 million) in a Series B round of funding led by Amazon, and which also includes new investors such as Vertex Ventures, Qualcomm and Ru-Net Technology Partners.
- Global private equity (PE) firm Blackstone Group has acquired a minority stake in an Indian travel, transportation and logistics software firm, IBS Software, for US\$ 170 million, by buying the stake from General Atlantic and few other shareholders;

- India's top-tier information technology (IT) company, Infosys Ltd, has bought a minority stake worth US\$ 3 million in Whoop, which is a US-based start-up that makes activity trackers worn by athletes.
- Microsoft Ventures is planning to incubate 500 start-ups in India in the next five years with a vision to create a viable and profitable business out of the booming start-up sector in India.
- National Association of Software and Services Companies (NASSCOM) plans to open four more tech start-up incubation centres in different parts of India, in addition to existing three, in support of Government of India's 'Start-up India' initiative.
- Nasscom Foundation, a non-profit organisation which is a part of Nasscom, has partnered with SAP India to establish 25 National Digital Literacy Mission (NDLM) centres in 12 cities across India, as a part of Government of India's Digital India initiative.
- Infosys, India's second largest Information Technology services company has acquired US-based Noah Consulting, a provider of advanced information management consulting services for the oil and gas industry.
- US-based Callidus Software Inc, cloud-based sales, marketing, learning and customer experience solutions provider, has opened its centre in Hyderabad and also launched its 'The Lead to Money' suite in Indian markets.
- Wipro Ventures, Wipro's US\$ 100 million corporate venture arm, plans to invest in early-stage venture capital (VC) funds based in the US to pursue a strategy of investing/partnering country-focussed VCs.
- A recent study by research firm International Data Corporation (IDC) suggests that India may soon be able to catch up with the global technology trends that have disrupted enterprises, industry and the way consumers behave and transact.
- Reliance is building a 6,50,000 square feet (sq ft) data centre in India—its 10th data centre in the country—with a combined capacity of about 1 million sq ft and an overall investment of US\$ 200 million.
- Intel Corp plans to invest about US\$ 62 million in 16 technology companies, working on wearable, data analytics and the Internet of Things (IoT), in 2015 through its investment arm Intel Capital. The Indian IoT industry is expected to be worth US\$ 15 billion and to connect 28 billion devices to the internet by 2020.
- Indian e-commerce industry is expected to grow at a CAGR of 35 per cent to reach US\$ 100 billion size in the next five years, as per a study by ASSOCHAM- Pricewaterhouse Coopers.

### **Government Initiatives**

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

The Human Resource Development (HRD) Ministry has entered into a partnership with private companies, including Tata Motors Ltd, Tata Consultancy Services Ltd and real-estate firm Hubtown Ltd., to open three Indian Institutes of Information Technology (IIITs), through public-private partnership (PPP), at Nagpur, Ranchi and Pune.

Government of India is planning to develop five incubation centres for 'Internet of Things' (IoT) start-ups, as a part of Prime Minister Mr. Narendra Modi's Digital India and Startup India campaign, with at least two centres to be set up in rural areas to develop solutions for smart agriculture.

According to research firm Gartner Inc, the Indian government is expected to increase its spending on information technology (IT) products and services by 5.2 per cent to US\$ 6.88 billion in FY 2015-16.

The Government of India has launched the Digital India program to provide several government services to the people using IT and to integrate the government departments and the people of India. The adoption of key technologies across sectors spurred by the 'Digital India Initiative' could help boost India's gross domestic product (GDP) by US\$ 550 billion to US\$ 1 trillion by 2025, as per research firm McKinsey.

India and the United States (US) have agreed to jointly explore opportunities for collaboration on implementing India's ambitious Rs 1.13 trillion (US\$ 18.22 billion) 'Digital India Initiative'. The two sides also agreed to hold the US-India Information and Communication Technology (ICT) Working Group in India later this year.

The Government of Telangana has begun construction of a technology incubator in Hyderabad—dubbed T-Hub—to reposition the city as a technology destination. The state government is initially investing Rs 35 crore (US\$ 5.3 million) to set up a 60,000 sq ft space, labelled the largest start-up incubator in the county, at the campus of International Institute of Information Technology-Hyderabad (IIIT-H). Once completed, the project is proposed to be the world's biggest start-up incubator housing 1,000 start-ups.

### **Road Ahead**

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

Exchange Rate Used: INR 1 = US\$ 0.015 as on December 17, 2015

*(Sources: www.ibef.org)*



## **Summary of our Business**

*In this section “our Company” refers to the Company, while “we”, “us” and “our” refers to NINtec Systems Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 12 and "Industry Overview" on page 63.*

### **Business Overview**

Our Company was incorporated as NINtec Systems Limited on August 04, 2015 with the Registrar of Companies, Gujarat as a public limited company under the provisions of the Companies Act 2013.

We are a provider of software development services and solutions. We specialize in providing offshore software product development, software migration, multimedia design & development, application development & maintenance, web designing, digitization of engineering drawings, and search engine optimization. Our customer base includes companies from diverse industry verticals like Automotive, Print Media & Publishing, Banking, Financial Services & Insurance (BFSI), Transportation and Logistics. Our primary objective is to bring the strategic differential advantage of offshore software outsourcing to the doorstep of our customers globally.

From the most demanding to the most distant customers, we help global leaders grow and transform their business and bring greater flexibility with faster time to market through technical excellence, all at lower costs, right at their doorsteps. Our team includes professionals with combination of knowledge and experience in IT Industry. The team members have experience in understanding the cross cultural needs of the clients which holds a very important part in offshore business. The availability and accessibility of our teams to offshore clients ensures full transparency, complete control and comfort of 24x7 accessibility of the team, which is much higher than the team our clients have on their own office floor.

Our Company is headquartered in Ahmedabad and is promoted by Mr. Niraj C. Gemawat and Mr. Indrajeet A. Mitra. Our promoters have years of rich experience in software development. Our primary focus is to deliver high quality and affordable services to the broader population by leveraging our economies of scale, skilled staff, and an efficient business model.

### **OUR SERVICES:**

**The major services offered by our Company are set forth below:**

**Business Analytics:** Today, in order for a business to stay agile and ahead of its competition, data based insights are imperative. These insights help an organization to assess the impact of the past decisions and efforts, and manage the performance of its deliverables as well as to refine and streamline future processes and actions. Quick and efficient business analytics, therefore, go a long way in making informed business decisions. We use advanced analytics to extract and interpret complex data which can then be reviewed and acted upon to find better ways of doing business through use of business analytics and engage with customers and stakeholders, and ultimately leading to make better business decisions based on analytical judgements. With our business analytics solutions, data driven insights are easy to obtain and harness.

**Cloud Services:** For an enterprise to be future-ready, a fast yet easy-to-adopt cloud solution is crucial. By integrating cloud into its existing business platforms, an organization can fast-track its growth, optimize and manage its IT resources, provide better connectivity to employees and customers, and ultimately become truly agile. With our end-to-end cloud services including cloud advisory, infrastructure, integration, management, and security, enterprise's transition to a cloud empowered organization turns seamless and efficient.

**Application Engineering:** In today's digital world, it is only logical for businesses to undergo a transition to a digital business. A mobile enterprise is an agile enterprise, and therefore, applications transformation is crucial. We recognize the need for this transformation and so offer our clients a full suite of Application Services including planning, designing, building, implementing and optimizing application development and maintenance. We strive to help organizations remain efficient and agile, and our application services are an effective and affordable means to this end.

**Testing Services:** The emphasis on reliability and resilience of products and applications has increased many-fold in the last few years. Organizations have to now pay better attention to user-experience, system availability and security, along with improving predictability where possible.

As a result, the focus on testing has also increased significantly, with businesses significantly increasing their QA budgets and laying stress on more effective testing of their products. Nintec's QA professionals are highly experienced and follow best practices in the field. Our Testing Services include test automation, performance testing, functional testing, security testing and validation, usability and accessibility testing, regression testing, among others.

#### **OUR STRENGTH:**

We derive our strengths from following factors:

**Experienced Promoters and Senior Management Team:** Our Promoters have significant experience in the IT industry with an average experience of 19 years. The senior management consists of professionals with experience in IT industry. The experience of our Promoters and Senior Management Team has enabled us to scale up our operations and services. We believe that the strength of our management team and their understanding of the industry will enable us to take advantage of current and future market opportunities. Please refer to chapter titled "*Our Management*" beginning on page 91 of this Prospectus.

**Cost and Quality:** The paramount advantages that our customers derive from us are our fairly affordable prices in terms of services and outstanding quality. Despite a high competitive run in the IT market, we are always open to price reviews without compromising the quality at all.

**Customer Centric approach:** Our execution process is always according to our clients requisite and as required by business needs of our client and timeframes. Once involved into the project, we focus exclusively on business challenges of the customer by giving supreme service quality, adhering to schedules and budget.

**Flexible and Scalable Business Model:** Our engagement models with our customers are flexible, scalable, secure and custom defined based on specific individual needs of our customers, thereby ensuring that we follow the right strategy to ensure business transformation, lower operational costs and quick time to market. We ensure success for our customers business and in the process ensure business continuity for ourselves.

**Microsoft as our Solution Partner:** Microsoft as our Solution Partner Microsoft is the market leader in computer software, operating systems and office based applications. We are currently a Gold Partner of Microsoft which is the highest technical partnerships offered by Microsoft. This partnership allows us to use all Microsoft applications as the base platform for our products and solutions that we provide to our clients. The main advantage of being a gold partner is that we are offered live on-site and off-site support for any technical issue that may arise in course of our operations. With the support and stability of the Microsoft platforms, we can guarantee our client a stable product, universal compatibility and easy online and offline support.

**Cordial relations with our customers:** Our ability to lead clients through a program that delivers substantial business results places us in different league having cordial relations with our customers. Unlike most offshore providers, our business is based on client relationships that are driven by value and shared goals, not rigid, lock-in contracts.

#### **OUR STRATEGY:**

**Focus on New Service offerings enabled through Innovation and Use of New Platforms:** We plan to expand our service offerings as and when there exists an opportunity. We understand that the use of technology is still at very nascent stage and has great potential for development leading to value addition in the entire value chain. We propose to gain expertise in every new technology platform coming up in the market for value added services, cost-competitiveness, speed and easy to use. We forecast that there is a huge un-mined potential lying in European markets, which is still under tapped by leaders of Information technology and leading software players. Our company proposes to use innovative ideas and concepts to achieve performance parameters set by the clients in their day-to-day business processes. We believe that the trend of offshore information technology consulting work by software and service companies in the Europe will result in increased business opportunity.

**Leveraging our existing client relationship to grow business from existing, repeat and new clients:** Our goal is to build enduring relationships with both existing and new clients. With existing clients, we aim to expand the nature and scope of our engagements by increasing the size and number of projects and extending the breadth of our service offerings. For new clients, we seek to provide value added solutions by leveraging our in-depth industry expertise and expanding the breadth of services offered to them beyond those in the initial engagement. We manage first-time engagements by educating clients about the offshore model, taking on smaller projects to minimize client risk and demonstrating our superior execution capabilities. We plan to increase our recurring business with clients by providing software re-engineering, maintenance,

infrastructure management and business process management services, which are long-term in nature and require frequent client interaction.

**Partnering / Alliance with Global Technology Leaders:** We intend to continue to develop alliances that complement our core competencies. Our alliance strategy is targeted at partnering with leading technology providers, which allows us to take advantage of emerging technologies in a mutually beneficial and cost-competitive manner.

**Expand geographically:** We seek to selectively expand our global presence to enhance our ability to service clients. We plan to accomplish this by visiting targeted geography and establishing new sales and marketing offices, representative offices to increase our geographical reach. We have plans to participate in various international trade fairs focusing IT industry globally viz. Cebit, Gitex, E-commerce Norge, Mobile-IT, Eurocis, Internet World, Smart Grid Expo, Mipcom, conhIT, Overheid and ICT, Infosecurity Europe, E commerce Berlin expo etc. in 2016.

**Continue to invest in infrastructure and employees:** We intend to continue investing in physical and technological infrastructure to support our growing worldwide development and sales operations and to increase our productivity. To enhance our ability to hire and successfully deploy increasingly greater numbers of technology professionals, we intend to continue investing in recruiting, training and maintaining a challenging and rewarding work environment.

## Summary of Financial Statements

The following summary of financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations 2009 and restated as described in the Peer Review Auditor's Report in the chapter titled "Financial Informations" beginning on page 118 of this Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements for the period ended February 15, 2016 including the notes thereto and the chapter titled "Management's Discussion and Analysis of Financial Condition and Result of Operations" on page 135 of this Prospectus.

### Statement of Assets and Liabilities, as Restated

#### ANNEXURE-I

(Rs. in Lacs)

S. N.	Particulars	As at February 15, 2016
	<b>EQUITY AND LIABILITIES</b>	
1)	<b><u>Shareholders Funds</u></b>	
	a. Share Capital	500.00
	b. Reserves & Surplus	17.92
2)	Share Application Money Pending Allotment	-
3)	<b><u>Non Current Liabilities</u></b>	
	a. Long Term Borrowings	-
	b. Deferred Tax Liabilities	0.44
	c. Other Long Term Liabilities	-
	d. Long Term Provisions	0.16
4)	<b><u>Current Liabilities</u></b>	
	a. Short Term Borrowings	-
	b. Trade Payables	-
	c. Other Current Liabilities	54.17
	d. Short Term Provisions	7.57
	<b>TOTAL</b>	<b>580.26</b>
	<b>ASSETS</b>	
5)	<b><u>Non Current Assets</u></b>	
	a. Fixed Assets	
	i. Tangible Assets	20.37
	Less: Accumulated Depreciation	0.12
	ii. Intangible Assets	-
	iii. Intangible Assets under development	-
	iv. Capital Work in Progress	-
	<i>Net Block</i>	20.25
	b. Deferred Tax Assets (Net)	-
	c. Non-current Investments	-
	d. Long Term Loans & Advances	-
	e. Other Non Current Assets	-
6)	<b><u>Current Assets</u></b>	
	a. Current Investment	450.00
	b. Inventories	-
	c. Trade Receivables	57.83
	d. Cash and Cash Equivalents	28.74
	e. Short Term Loans & Advances	4.19
	f. Other Current Assets	19.25
	<b>TOTAL</b>	<b>580.26</b>

Statement of Profit and Loss, as Restated

ANNEXURE-II

(Rs. in Lacs)

S. N.	Particulars	For the period ended February 15, 2016
<b>A</b>	<b>INCOME</b>	
	Revenue from Operations	79.86
	Other Income	0.48
	<b>Total Income (A)</b>	<b>80.34</b>
<b>B</b>	<b>EXPENDITURE</b>	-
	Cost of Material Consumed	-
	Purchase of Stock in Trade	-
	Changes in inventories of finished goods, traded goods and work-in-progress	-
	Employee benefit expenses	24.31
	Finance costs	0.01
	Depreciation and amortisation expense	0.12
	Other Expenses	29.98
	<b>Total Expenses (B)</b>	<b>54.42</b>
<b>C</b>	<b>Profit before extraordinary items and tax</b>	<b>25.92</b>
	Extraordinary items	-
<b>D</b>	<b>Profit before tax</b>	<b>25.92</b>
	<i>Tax expense :</i>	
	(i) Current tax	7.57
	(ii) Deferred tax	0.44
<b>E</b>	<b>Total Tax Expense</b>	<b>8.01</b>
<b>F</b>	<b>Profit for the year (D-E)</b>	<b>17.91</b>

# Statement of Cash Flow, as Restated

## ANNEXURE-III

(Rs. in Lacs)

Particulars	For the period ended February 15, 2016
<b><u>Cash flow from operating activities:</u></b>	
Net Profit before tax as per Profit And Loss A/c	25.93
Adjusted for:	-
Depreciation & Amortisation	0.12
<b>Operating Profit Before Working Capital Changes</b>	<b>26.05</b>
Adjusted for (Increase)/ Decrease:	
Trade Receivables	(57.83)
Short Term Loans & Advances	(4.19)
Other Current Assets	(19.25)
Trade Payables	-
Other Current & Long Term Liabilities	54.17
Short Term & Long Term Provisions	0.16
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>(0.89)</b>
Add:- Extra-Ordinary Items	-
<b>Cash Generated From Operations</b>	<b>(0.89)</b>
Direct Tax Paid	-
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(0.89)</b>
<b><u>Cash Flow From Investing Activities:</u></b>	
Purchase of Fixed Assets	(20.37)
Investments Made	(450.00)
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(470.37)</b>
<b><u>Cash Flow from Financing Activities:</u></b>	
Proceeds From Share Capital	500.00
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>500.00</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>28.74</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>28.74</b>

## Issue details

### Present Issue in terms of this Prospectus

<b>Equity Shares Offered:</b> Public Issue of Equity Shares by our Company	18,80,000 Equity Shares of Rs.10 each (the “Equity Shares”) for cash at a price of Rs.10 per Equity Share aggregating to Rs.188.00 Lacs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	1,00,000 Equity Shares of Rs.10 each at a price of Rs.10 per Equity Share aggregating Rs.10.00 lacs
<b>Net Issue to the Public*</b>	17,80,000 Equity Shares of Rs.10 each at a price of Rs. 10 per Equity Share aggregating Rs.178.00 lacs
<b>Equity Shares outstanding prior to the Issue</b>	50,00,000 Equity Shares of face value of Rs.10 each
<b>Equity Shares outstanding after the Issue</b>	68,80,000 Equity Shares of face value of Rs.10 each
<b>Objects of the Issue</b>	Please refer section titled “Objects of the Issue” on page 54 of this Prospectus.

*This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details, please see the section titled “Issue Related Information” beginning on page no. 159 of this Prospectus.*

*The Issue has been authorized by a resolution of the Board of Directors, dated January 09, 2016 and by a resolution of the shareholders of our Company in the EGM held on January 30, 2016 under section 62(1) (c) of the Companies Act, 2013.*

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue ‘the allocation’ is the net issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - iii. Individual applicants other than retail individual investors; and
  - iv. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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



## General Information

Our Company was incorporated as NINtec Systems Limited on August 04, 2015 with the Registrar of Companies, Gujarat as a public limited company under the provisions of the Companies Act 2013.

<b>Registered Office of Company</b>	B-11 Corporate House SG Highway, Bodakdev, Ahmedabad- 380054 Gujarat Tel: +91-7940393909 Fax No.: +91-7940393909 Email: <a href="mailto:cs@nintecsystems.com">cs@nintecsystems.com</a> Website: <a href="http://www.nintecsystems.com">www.nintecsystems.com</a>
<b>Registration Number</b>	084063
<b>Company Identification Number</b>	U72900GJ2015PLC084063
<b>Address of Registrar of Companies</b>	ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013 Tel: 079-27437597, Fax: 079-27438371, Email: <a href="mailto:roc.ahmedabad@mca.gov.in">roc.ahmedabad@mca.gov.in</a>
<b>Designated Stock Exchange</b>	BSE Limited
<b>Listing of Shares offered in this Issue</b>	SME Platform of BSE
<b>Contact Person:</b>	Mr. Mukesh Jiwnani, Company Secretary & Compliance Officer, B-11 Corporate House SG Highway, Bodakdev, Ahmedabad- 380054, Gujarat Tel: +91-7940393909 Fax No.: +91-7940393909 Email: <a href="mailto:cs@nintecsystems.com">cs@nintecsystems.com</a> Website: <a href="http://www.nintecsystems.com">www.nintecsystems.com</a>

For details in relation to the changes to the name of our Company, please refer to the section titled “*History and Certain other Corporate matters*” beginning on page 88 of this Prospectus.

## Board of Directors

The details of our Board of Directors are set forth below:

Name	Designation	DIN	Address
Mr. Niraj C. Gemawat	Managing Director	00030749	55, Tapovan Society, S. M. Road, Ahmedabad, 380015, Gujarat, India
Mr. Indrajeet A. Mitra	Non- Executive Director	00030788	95, Basant Bahar-1, Bungalows, Bopal Road, Near Gala Gymkhana Club, Bopal,, Ahmedabad, 380054, Gujarat, India
Mr. Vipin Moharir	Non- Executive Director	02245355	Aburahout-30, Zoetermeer, 2719MZ, , Netherlands
Ms. Rachana N. Gemawat	Non- Executive Director	02029832	55, Tapovan Society, Ambawadi Vistar Post Off, Ahmedabad-380015, Gujarat, India
Mr. Vishal R. Shah	Independent Director	01681950	401-18, Satyagrah Chhavni, Jodhpur, Yunik Park Jodhpur, Ahmedabad- 380053, Gujarat, India
Mr. Parminder Singh S. Chhabda	Independent Director	01715488	4, Azad Society, Ambawadi, Ahmedabad-380015, Gujarat, India
Mr. Hursh P. Jani	Independent Director	01356764	28 Sarthi -3, Thaltej, Ahmedabad-380052, Gujarat, India
Mr. Bhushan Saluja	Independent Director	00312854	Saluja Cottage, Opp.Nehru Nagar,S.M.Road, Ahmedabad-380015, Gujarat, India

For further details of Management of our Company, please refer to section titled “*Our Management*” on page 91 of this Prospectus.

Company Secretary & Compliance Officer	Chief Financial Officer
Mr. Mukesh Jiwnani, B-11 Corporate House SG Highway, Bodakdev, Ahmedabad- 380054, Gujarat Tel: +91-7940393909 Fax No.: +91-7940393909 Email: <a href="mailto:cs@nintecsystems.com">cs@nintecsystems.com</a> Website: <a href="http://www.nintecsystems.com">www.nintecsystems.com</a>	Mr. Bharat B. Thaker, B-11 Corporate House SG Highway, Bodakdev, Ahmedabad- 380054, Gujarat Tel: +91-7940393909 Fax No.: +91-7940393909 Email: <a href="mailto:bharat@nintecsystems.com">bharat@nintecsystems.com</a> Website: <a href="http://www.nintecsystems.com">www.nintecsystems.com</a>

Investors can contact our Compliance Officer in case of any pre Issue or post Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

#### Details of Key Intermediaries pertaining to this Issue of our Company:

Lead Manager of the Issue	Registrar to the Issue
<b>Guinness Corporate Advisors Private Limited</b> Registered Office: 18 Deshapriya Park Road, Kolkata - 700 026, West Bengal, India Tel: +91-33-30015555 Fax: +91-33- 30015531 Correspondence office: Email: <a href="mailto:gcapl@guinnessgroup.net">gcapl@guinnessgroup.net</a> Website: <a href="http://www.16anna.com">www.16anna.com</a> Contact Person: Ms. Alka Mishra/Mr. Mohit Baid SEBI Registration No.: INM 000011930	<b>Bigshare Services Private Limited</b> E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400 072. <b>Tel:</b> +91 22 4043 0200 <b>Fax:</b> +91 22 2847 5207 <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Contact person:</b> Mr. Ashok Shetty <b>SEBI Registration No:</b> INR000001385
Bankers to the Issue	Legal Advisor to the Issue
<b>ICICI Bank Limited</b> Capital Market Division, 1 <sup>st</sup> Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai-400 020 Tel: 022-2285 9922 Fax: 022-2261 1138 Email: <a href="mailto:rishav.bagrecha@icicibank.com">rishav.bagrecha@icicibank.com</a> Website: <a href="http://www.icicibank.com">www.icicibank.com</a> Contact Person: Mr. Rishav Bagrecha SEBI Registration No.: INBI00000004	<b>Mishra and Mishra, Advocates</b> 4 <sup>th</sup> floor Room no. 89, Temple Chambers 6 Old Post Office Street Kolkata - 700001 Tel No.: +91-33-22315126 Fax No.: +91-33-22315126 Email: <a href="mailto:mail@mishraandmishra.com">mail@mishraandmishra.com</a> Contact Person: Mr. Sailesh Mishra
Statutory Auditors of the Company	Peer Review Auditors
<b>M/s. Samir M. Shah &amp; Associates</b> Chartered Accountants Address: "Heaven" 8 Western Park Society, Near Inductotherm, Bopal, Ahmedabad-380058 Tel: +91 -9825412032 Email: <a href="mailto:samir@smshah.co.in">samir@smshah.co.in</a> Contact Person: Mr. Samir M. Shah Membership Number: 111052 Firm Registration No. 122377W	<b>R. T. Jain &amp; Co.</b> Chartered Accountants Address: 2nd Floor, Lotus Bldg, 59, Mohammedali Road, Mumbai 400003, India Tel : +91-22- 2346 52 18 E-mail: <a href="mailto:brjain@rtjainandco.com">brjain@rtjainandco.com</a> Contact Person: Mr. R. T. Jain Firm Registration No.-103961W
Banker to the Company	
<b>Kotak Mahindra Bank Limited</b> Address: 3-Parshwa Tower, Ground Floor, S.G. Highway Road, Bodakdev, Ahmedabad-380054 Tel: 079 -65249513 Email: <a href="mailto:vijay.ramsinghani@kotak.com">vijay.ramsinghani@kotak.com</a> Website: <a href="http://www.kotak.com">www.kotak.com</a> Contact Person: Mr. Vijay Ramsinghani	

#### Self Certified Syndicate Banks

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (“ASBA”) process are provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>.

The details on designated branches of SCSBs collecting the ASBA Application Form, are provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>.

### **Credit Rating**

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

### **Trustees**

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

### **IPO Grading**

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

### **Brokers to the Issue**

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

### **Monitoring Agency**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs.500.00 Crores. Since the Issue size is below Rs.500.00 Crores, our Company has not appointed any monitoring agency for this Issue. However, audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### **Debenture Trustees**

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

### **Appraising Authority**

None of the objects of the Issue have been appraised by any appraising agency.

### **Inter-Se Allocation of Responsibilities**

Since Guinness Corporate Advisors Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager’s is not required.

### **Expert Opinion**

Our Company has not obtained any expert opinion except as set forth below:

- The report of the Peer Reviewed Auditor on the Restated Financial Statements and on the Statement of Tax Benefits.

### **Underwriting Agreement**

This Issue is 100% Underwritten. The Underwriting agreement is dated February 12, 2016. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein. The Underwriter have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriter	Number of Equity Shares Underwritten*	Amount Underwritten (Rs. in lacs)
<b>Guinness Corporate Advisors Private Limited</b> Registered office: 18, Deshapriya Park Road, Kolkata - 700 026. Tel: +91 - 33 - 30015555 Fax: +91 - 33 -30015531 Email: <a href="mailto:gcapl@guinnessgroup.net">gcapl@guinnessgroup.net</a> Website: <a href="http://www.16anna.com">www.16anna.com</a> Contact Person: Ms. Alka Mishra/Mr. Mohit Baid SEBI Regn. No: INM 000011930	18,80,000	188.00
<b>Total</b>	<b>18,80,000</b>	<b>188.00</b>

*\*Includes 1,00,000 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 106V(4) of the SEBI (ICDR) Regulations, 2009, as amended.*

In the opinion of the Board of Directors of the Company, considering the resources of the above mentioned underwriter and the potential investment lined up by it for the issue, underwriter is in a position to discharge its underwriting obligation.

#### Details of the Market Making Arrangement for this Issue

Our Company has entered into an agreement dated February 12, 2016 with the Lead Manager and Market Maker to fulfil the obligations of Market Making.

The details of Market Maker are set forth below:

<b>Name</b>	<b>Guinness Securities Limited</b>
<b>Correspondence Address</b>	Guinness House, 18, Deshapriya Park Road, Kolkata-700 026
<b>Tel no.</b>	+91-33-3001 5555
<b>Fax no.</b>	+91-33-2464 6969
<b>Email</b>	<a href="mailto:kmohanty@guinnessgroup.net">kmohanty@guinnessgroup.net</a>
<b>Website</b>	<a href="http://www.16anna.com">www.16anna.com</a>
<b>Contact Person</b>	Mr. Kuldeep Mohanty
<b>SEBI Regn.</b>	INB 11146033

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE, and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The 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.
3. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25 %. (Including the 5 % of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.

5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).  
In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that 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.
10. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
11. **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.  
  
The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
12. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs.250 crores, the applicable price bands for the first day shall be:
  - i. 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.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
  - iii. 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 BSE SME Exchange/Platform.

S. N.	Market Price Slab (in Rs.)	Proposed spread (in % to sale price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

## Capital Structure

The share capital of the Company as at the date of this Prospectus, before and after the Issue, is set forth below.

(Rs. in lacs, except share data)

S.N.	Particulars	Aggregate value at Face Value	Aggregate value at Issue Price
A.	Authorized Share Capital		
	75,00,000 Equity Shares of face value of Rs.10 each	750.00	--
B.	Issued, subscribed and paid-up Equity Share Capital before the Issue		
	50,00,000 Equity Shares of face value of Rs.10 each	500.00	--
C.	Present Issue in terms of this Prospectus		
	Issue of 18,80,000 Equity Shares of Rs.10 each at a price of Rs.10 per Equity Share	188.00	188.00
	Which comprises		
I.	1,00,000 Equity Shares of Rs.10/- each at a price of Rs.10 per Equity Share reserved as Market Maker Portion	10.00	10.00
II.	Net Issue to Public of 17,80,000 Equity Shares of Rs.10/- each at a price of Rs.10 per Equity Share to the Public	178.00	178.00
	Of which		
	8,90,000 Equity Shares of Rs.10/- each at a price of Rs.10 per Equity Share will be available for allocation to Retail Individual Investors up to Rs.2.00 Lacs	89.00	89.00
	8,90,000 Equity Shares of Rs.10/- each at a price of Rs.10 per Equity Share will be available for allocation to Other than Retail Individual Investors of above Rs.2.00 Lacs	89.00	89.00
D.	Equity capital after the Issue		
	68,80,000 Equity Shares of Rs.10 each	688.00	--
E.	Securities Premium Account		
	Before the Issue	....	
	After the Issue	....	

The Issue has been authorized by a resolution of the Board of Directors, dated January 09, 2016 and by a resolution of the shareholders of our Company in the EGM held on January 30, 2016 under section 62(1) (c) of the Companies Act, 2013. Our Company has no outstanding partly paid-up shares/convertible instruments/warrants as on the date of this Prospectus.

### Classes of Shares

The Company has only one class of Share Capital i.e. Equity Shares of Rs. 10/- each.

### Notes forming part of Capital Structure

#### 1. Changes in the Authorized Share Capital of our Company:

S. N.	Particulars of Change		Date of Shareholders' Meeting	Meeting AGM/EGM
	From	To		
1.	50,000 Equity Shares of Rs. 10 each		-	Incorporation
2.	50,000 Equity Shares of Rs.10 each	75,00,000 Equity Shares of Rs.10 each	09/01/2016	EGM

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

Date of issue/ allotment of Shares	No. of Equity Shares Issued	Face value (Rs.)	Issue price (Rs.)	Consideration (cash, bonus, consideration on other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
On incorporation	50,000	10	10	Cash	Subscription to MOA	50,000	50,000	Nil
11.02.2016	49,50,000	10	10	Cash	Right Issue	50,00,000	5,00,00,000	Nil

All the allotments of Equity Shares of our Company were made fully paid-up equity shares of face value of Rs. 10 each/- As on date of this Prospectus our Company does not have any preference share capital.

(i).Initial subscribers to Memorandum of Association 50,000 Equity Shares, details of which are set forth below:-

Name	No. of Shares
Niraj C. Gemawat	12,940
Chhaganraj B. Gemawat	2,500
Sumanlata C. Gemawat	2,500
Rachana N. Gemawat	10,000
Krishna A. Mitra	2,500
Indrajeet A. Mitra	17,060
Ketki I. Mitra	2,500
<b>Total</b>	<b>50,000</b>

(ii).Rights Issue in the ratio of 99:1(Ninety-nine Equity Share for every one Equity Shares held on the record date i.e. January 09, 2016) was offered to all the existing shareholders. The details of allotment are set forth below:-

Name	No. of Shares
Niraj C. Gemawat	12,37,060
Chhaganraj B. Gemawat	17,500
Sumanlata C. Gemawat	17,500
Rachana N. Gemawat	9,35,000
Indrajeet A. Mitra	3,02,940
Ketki I. Mitra	17,500
Pavak Shah	42,500
TecThink B.V.	17,50,000
VIN IT Solution LLP	6,30,000
<b>Total</b>	<b>49,50,000</b>

**3. Issue of Equity Shares for consideration other than cash or out of revaluation reserves or in terms of any scheme approved under Sections 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013 .**

We have not issued any equity shares for consideration other than cash or out of revaluation reserves or in terms of any scheme approved under Sections 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013

**4. We have not issued any Equity Shares in the last two (2) years except as set forth below:**

Our Company has not made any allotment preceding the date of this Prospectus except subscription to MOA and Right Issue made by the Company on August 4, 2015 and February 11, 2016 respectively as per details given above in sub point no. (i) &( ii) of notes forming part of capital structure.

**5. We have not issued any shares at a price below issue price within last one year from the date of this Prospectus**

**6. Capital Build up of our Promoters:**



Set forth below are the details of the build-up of our Promoters:-

Date of Allotment /Transfer	Consideration	Nature of Issue	No of Equity Shares	Face Value	Issue Price/Acquisition Price/ Transfer Prices	% Pre-Issue paid up capital	% Post issue paid up capital
<b>Mr. Niraj C. Gemawat</b>							
04-08-2015	Cash	Subscription to MOA	12,940	10	10	0.26	0.19
11-02-2016	Cash	Right Issue	12,37,060	10	10	24.74	17.98
<b>Total</b>			<b>12,50,000</b>			<b>25.00</b>	<b>18.17</b>

Date of Allotment /Transfer	Consideration	Nature of Issue	No of Equity Shares	Face Value	Issue Price/Acquisition Price/ Transfer Prices	% Pre-Issue paid up capital	% Post issue paid up capital
<b>Mr. Indrajeet A. Mitra</b>							
04-08-2015	Cash	Subscription to MOA	17,060	10	10	0.34	0.25
11-02-2016	Cash	Acquired from Krishna A. Mitra	2,500	10	10	0.05	0.04
11-02-2016	Cash	Right Issue	3,02,940	10	10	6.06	4.40
<b>Total</b>			<b>3,22,500</b>			<b>6.45</b>	<b>4.69</b>

#### 7. Details of Promoters' contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations aggregate of 20% of the post issue capital held by our Promoters shall be considered as promoters' contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters 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 Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20% of the post issue Equity Share capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above.

Date of Allotment /Transfer	Consideration	Nature of Issue	No of Equity Shares	Issue Price/Acquisition Price/ Transfer Prices	% Pre - Issue paid up capital	% Post - Issue paid up capital
<b>Mr. Niraj C. Gemawat</b>						
04-08-2015	Cash	Subscription to MOA	12,940	10.00	0.26	0.19
11-02-2016	Cash	Right Issue	12,37,060	10.00	24.74	17.98
<b>Total (A )</b>			<b>12,50,000</b>		<b>25.00</b>	<b>18.17</b>
<b>Mr. Indrajeet A. Mitra</b>						
04-08-2015	Cash	Subscription to MOA	17,060	10.00	0.34	0.25
11-02-2016	Cash	Right Issue	1,50,000	10.00	3.00	2.18

<b>Total (B)</b>	<b>1,67,060</b>		<b>3.34</b>	<b>2.43</b>
<b>Total (A+B)</b>	<b>14,17,060</b>		<b>28.34</b>	<b>20.60</b>

We further confirm that the minimum Promoter Contribution of 20% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- Equity shares issued to our Promoters on conversion of partnership firms into limited companies.

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post Issue paid-up Equity Share Capital from the date of allotment in the proposed public Issue. Promoters' Contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' Contribution, in accordance with the SEBI (ICDR) Regulations, 2009. Accordingly we confirm that the Equity Shares proposed to be included as part of the Promoters' Contribution:

- have not been subject to pledge or any other form of encumbrance; or
- have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;
- is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' Contribution;
- have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Prospectus at a price lower than the Issue Price.
- The Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoters' Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new Promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

Details of share capital locked in for one year:

Except for (a) the Promoter's Contribution which shall be locked in as above in accordance with regulation 36 of SEBI (ICDR) Regulations, 2009, the entire pre issue share capital of our Company (including the Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, 2009, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.

## 8. Shareholding pattern of our Company:

[A] Pursuant to Regulation 31 of the Listing Regulations, the holding of specified securities is divided into the following three categories:

(a) Promoter and Promoter Group;

(b) Public; and

(c) Non-Promoter - Non Public.

The following are the statements representing the shareholding pattern of our Company:

### Summary Statement Holding of Equity Shareholders

Category code	Category of shareholders	No. of shares held	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCR R,1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding and convertible securities (including Warrants)	Shareholding, as % assuming full conversion of convertible securities (as a % of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
(I)	(II)	(I II)	(IV)	(V)	(VI)	(VII)=(IV)+(V)+(VI)	(VIII)	(IX)			(X)	(XI)=(VII)+(X)	(XII)		(XIII)		(XIV)
							As a % of (A+B+C2)	No of Voting Rights		Total as a % of (A+B+C)		As a % of (A+B+C2)	No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Equity	Preference	Total							
(A)	Promoter & Promoter Group	7	32,07,500	-	-	32,07,500	64.15	32,07,500	-	32,07,500	64.15	-	64.15	-	-	-	32,07,500
(B)	Public	2	17,92,500	-	-	17,92,500	35.85	17,92,500	-	17,92,500	35.85	-	35.85	-	-	-	42,500
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>9</b>	<b>50,00,000</b>	<b>-</b>	<b>-</b>	<b>50,00,000</b>	<b>100</b>	<b>50,00,000</b>	<b>-</b>	<b>50,00,000</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,50,000</b>

[B] Shareholding of our Promoters and Promoter Group

The details of the shareholding of our Promoters and Promoter Group (individuals and companies) as on the date of filing of this Prospectus:

S. N.	Name of the shareholder	Pre-Issue		Post-Issue		Shares pledged or otherwise encumbered		
		No. of Equity Shares	As a % of Issued Share Capital	No. of Equity Shares	As a % of Issued Share Capital	Number	As a percentage	As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a)
<b>A</b>	<b>Promoters</b>							
1	Niraj C. Gemawat	12,50,000	25.00	12,50,000	18.17	-	-	-
2	Indrajeet A. Mitra	3,22,500	6.45	3,22,500	4.69	-	-	-
	<b>Total (A)</b>	<b>15,72,500</b>	<b>31.45</b>	<b>15,72,500</b>	<b>22.86</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B</b>	<b>Promoter Group, Relatives and other Associates</b>							
3	Chhaganraj B. Gemawat	20,000	0.40	20,000	0.29	-	-	-
4	Sumanlata C. Gemawat	20,000	0.40	20,000	0.29	-	-	-
5	Rachana N. Gemawat	9,45,000	18.90	9,45,000	13.74	-	-	-
6	Ketki I. Mitra	20,000	0.40	20,000	0.29	-	-	-
7	VIN IT Solutions LLP	6,30,000	12.60	6,30,000	9.16	-	-	-
	<b>Total (B)</b>	<b>16,35,000</b>	<b>32.70</b>	<b>16,35,000</b>	<b>23.77</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (A+B)</b>	<b>32,07,500</b>	<b>64.15</b>	<b>32,07,500</b>	<b>46.63</b>	<b>-</b>	<b>-</b>	<b>-</b>

[C] Shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares

S.N.	Particulars	No. of Shares	Percentage of pre-Issue capital(%)
1.	TecThink B.V.	17,50,000	35.00

[D] Except as provided below, there has been no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of this Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-Issue share capital of our Company except the following:

S. N.	Name of Shareholder	Promoter/Promoter Group/Director	Number Equity Shares	Percentage of the pre-issue capital	Subscribed/ Acquired/ Transferred
1.	Niraj C. Gemawat	Promoter	12,37,060	24.74	Right Issue
2.	Indrajeet A. Mitra	Promoter	3,02,940	6.06	Right Issue
3.	Rachana N. Gemawat	Promoter Group	9,35,000	18.70	Right Issue
4.	VIN IT Solutions LLP	Promoter Group	6,30,000	12.60	Right Issue

9. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth below:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Niraj C. Gemawat	12,50,000	10.00
Indrajeet A. Mitra	3,22,500	10.00

10. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, except as set forth below:

Name of the Directors	No. of Equity Shares	Percentage of pre-Issue capital(%)
Mr. Niraj C. Gemawat	12,50,000	25.00
Mr. Indrajeet A. Mitra	3,22,500	6.45
Ms. Rachana N. Gemawat	9,45,000	18.90

11. Equity Shares held by top ten shareholders

Our top ten shareholders and the number of Equity Shares held by them as on date of the Prospectus are as under:

S. N.	Name of shareholders	No. of Shares	Percentage of pre-Issue capital(%)
1	TecThink B.V.	17,50,000	35.00
2	Niraj C. Gemawat	12,50,000	25.00
3	Rachana N. Gemawat	9,45,000	18.90
4	VIN IT Solutions LLP	6,30,000	12.60
5	Indrajeet A. Mitra	3,22,500	6.45
6	Pavak Shah	42,500	0.85
7*	Chhaganraj B. Gemawat	20,000	0.40
7*	Sumanlata C. Gemawat	20,000	0.40
7*	Ketki I. Mitra	20,000	0.40
	<b>Total</b>	<b>50,00,000</b>	<b>100.00</b>

\*On S.N. 7, there are 3 shareholders holding 20,000 Shares each.

Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of the Prospectus are as under:

S. N.	Name of Shareholders	No. of Shares	Percentage of pre-Issue capital(%)
1	TecThink BV	17,50,000	35.00
2	Niraj C. Gemawat	12,50,000	25.00
3	Rachana N. Gemawat	9,45,000	18.90
4	VIN IT Solutions LLP	6,30,000	12.60
5	Indrajeet A. Mitra	3,22,500	6.45
6	Pavak Shah	42,500	0.85
7*	Chhaganraj B. Gemawat	20,000	0.40
7*	Sumanlata C. Gemawat	20,000	0.40
7*	Ketki I. Mitra	20,000	0.40
	<b>Total</b>	<b>50,00,000</b>	<b>100.00</b>

\*On S.N. 7, there are 3 shareholders holding 20,000 Shares each.

Our top ten shareholders and the number of Equity Shares held by them two years prior to date of the Prospectus are as under:

S. N.	Name of Shareholders#	No. of Shares#	Percentage of pre-Issue capital (%)
1	Indrajeet A. Mitra	17,060	34.12
2	Niraj C. Gemawat	12,940	25.88
3	Rachana N. Gemawat	10,000	20.00
4*	Chhaganraj B. Gemawat	2,500	5.00
4*	Sumanlata C. Gemawat	2,500	5.00
4*	Krishna A. Mitra	2,500	5.00
4*	Ketki I. Mitra	2,500	5.00
	<b>Total</b>	<b>50,000</b>	<b>100.00</b>

\*On S.N.. 4, there are 4 shareholders holding 2,500 Shares each.

#Our Company was incorporated on August 04 2015, hence top ten shareholders and the number of Equity Shares held by them two years prior to date of the Prospectus is not applicable. The details of the above shareholders and number of Equity shares held by them are as on August 04 2015

There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/ /Promoters/Directors/Lead Manager for purchase of Equity Shares offered through the Prospectus.

Except as mentioned below there have been no purchase or sell of Equity Shares by the Promoters and Promoter Group, and our Directors during a period of six months preceding the date on which the Prospectus is filed with BSE.

S. N.	Name of Shareholder	Promoter/Promoter Group/Director	Date of Allotment/Transfer	Number Equity Shares	Issue Price/Transfer Price	Percentage of the pre-issue capital	Subscribed/ Acquired/ Transferred
1.	Niraj C. Gemawat	Promoter	11.02.2016	12,37,060	10.00	24.74	Right Issue
2.	Indrajeet A. Mitra	Promoter	11.02.2016	3,02,940	10.00	6.06	Right Issue
3.	Rachana N. Gemawat	Promoter Group	11.02.2016	9,35,000	10.00	18.70	Right Issue
4.	VIN IT Solutions LLP	Promoter Group	11.02.2016	6,30,000	10.00	12.60	Right Issue
5.	Chhaganraj B. Gemawat	Promoter Group	11.02.2016	17,500	10.00	0.35	Right Issue
6.	Sumanlata C. Gemawat	Promoter Group	11.02.2016	17,500	10.00	0.35	Right Issue
7.	Ketki I. Mitra	Promoter Group	11.02.2016	17,500	10.00	0.35	Right Issue
8.	Krishna A. Mitra	Promoter Group	11.02.2016	(2,500)	10.00	0.05	Transferred to Indrajeet A. Mitra
9.	Indrajeet A. Mitra	Promoter	11.02.2016	2,500	10.00	0.05	Acquired from Krishna A. Mitra

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

Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "Basis of Allotment" on page 200 of this Prospectus.

The Equity Shares Issued pursuant to this Issue shall be made fully paid-up.

An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in the Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.



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

As on date of filing of this Prospectus, the entire issued share capital of our Company is fully paid-up.

On the date of filing the Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.

Lead Manager to the Issue viz. Guinness Corporate Advisors Private Limited does not hold any Equity Shares of our Company.

Our Company has not made any public issue since incorporation.

There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.

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 submission of this Prospectus until the Equity Shares to be issued pursuant to the Issue have been listed.

Except as disclosed in this Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.

No Equity Shares have been allotted in terms of any scheme approved under Sections 230-232 of the Companies Act, 2013 and no Equity Shares have been allotted in terms of any scheme approved under Sections 391-394 of the Companies Act, 1956 in the last five years.

An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

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

Our Company has 9 (Nine) members as on the date of filing of this Prospectus.

## Objects of the Issue

Our Company proposes to utilise the funds which are being raised towards funding the objects as set forth below and achieve the benefits of listing on SME Platform of BSE.

### Objects of the Issue are:

- To part-finance incremental working capital requirements
- General corporate expenses
- Issue Expenses

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

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

The details of the objects of the issue are summarized in the table below: -

S.N.	Particulars	Amount (Rs. in Lacs)
I.	To part-finance incremental working capital requirements	102.00
II.	General Corporate Expenses	47.00
III.	Issue Expenses	39.00
	<b>Total</b>	<b>188.00</b>

### Means of Finance

The above mentioned fund requirements are to be financed as set forth below:

Particulars	Amount (Rs. in Lacs)
Proceeds from the Issue	188.00
Internal Accruals	-
<b>Total</b>	<b>188.00</b>

*Since the entire fund requirements are to be financed from the IPO Proceeds, there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.*

The fund requirements, the deployment of funds and the intended use of the Issue Proceeds as described herein are based on our current business plan, management estimates and current quotations received from suppliers/service providers and have not been appraised by any bank, financial institution. Our Company operates in competitive environment, in view of the same, our Company may have to revise our business plan from time to time and the expenditure, fund requirements and deployment schedule may also change as a result of variations in cost estimates on account of a variety of factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling and/or revising the planned expenditure and funding requirements and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management. Our Company's historical capital expenditure may not be reflective of our future capital expenditure plans.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by our Company through various means, including from internal accruals and/or short term/long term financial arrangements. In the events that the estimated utilisation of the Issue Proceeds in a schedule fiscal year is not completely met, the same shall be utilised in the next fiscal year. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects, if required and towards general corporate purposes. Any amount, deployed by our Company out of

internal accruals towards the aforementioned objects during the period between the date of filing of this Prospectus and the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue.

In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

## Details of the objects of the Issue

### I. To Part-Finance Incremental Working Capital Requirements

We are presently engaged in the business of providing software development services and solutions to organization and delivering results to our business clients. Going forward, we intend to expand our global presence to enhance our ability to service clients, we shall be recruiting, training greater number of technology professionals etc. to support our growing worldwide development and sales operations and to increase our productivity and expand our business

The working capital requirement of the Company as per the restated financial statements as on February 15, 2016 is Rs. 48.27 Lacs. The working capital requirement for the Fiscal Year 2017 is estimated to be Rs. 153.99 Lacs. This will entail additional working capital requirements of Rs. 105.72 Lacs which will be met through Net Proceeds to the extent of Rs. 102.00, and the balance portion will be met through internal accruals. The funding pattern of the requirement for the additional working capital are as explained below:

### Basis of estimation of working capital requirement

The details of our Company's working capital requirement are set forth in the table below:

(Rs. in Lacs)		
Particulars	February 15, 2016 ( Restated)	March 31, 2017 (Estimated)
<b>Current Assets*</b>		
Trade Receivables	57.83	130.19
Cash & Cash Equivalents	28.74	38.39
Short term Loans & Advances and other Current assets	23.44	10.00
<b>Total (A)</b>	<b>110.01</b>	<b>178.58</b>
<b>Current Liabilities and Provisions</b>		
Other Current Liabilities & Short Term Provisions	61.74	24.59
<b>Total (B)</b>	<b>61.74</b>	<b>24.59</b>
<b>Net Working Capital (A-B)</b>	<b>48.27</b>	<b>153.99</b>
<b>Incremental Working Capital#</b>		<b>105.72</b>
<b>Sources of Working Capital</b>		
Net Proceeds		<b>102.00</b>
Internal Accruals		<b>3.72</b>
<b>Total Source</b>		<b>105.72</b>

*#Incremental Working Capital is calculated by subtracting the Estimated year net working capital from the Restated net working capital for the period ended February 15, 2016.*

\*Current Investment of Rs. 450 Lacs is part of Current Assets as per Restated financial statements as at February 15, 2016, however the same is not taken into consideration for working capital calculation as the same is exceptional and consists of Rs. 200 Lacs towards Long Term Fixed Deposit with Bank towards Margin requirement for Hedging the Export transactions of the Company. The said fixed deposit is lien marked by the bank towards margin requirement for Hedging and is not available to the Company for its day to day operations and working capital requirement. Also Fiscal Year 2016 is the first year of operations for the Company and requires significant amount of investment in marketing efforts and expanding its global reach for servicing the clients to their doorstep. The balance available funds of Rs. 250 Lacs is

invested in interest bearing liquid instruments in mutual funds, will be utilised by the Company in Fiscal Year 2017 for achieving its object of expanding its global reach and achieve business growth. Also looking at the current currency fluctuation, if additional margin money will be required for matching mark to market requirement, additional fixed deposits will be provided to the bank for lien marking from the said balance available funds of Rs. 250 Lacs.

### **Justification for “Holding period” levels**

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

<b>Assets-Current assets</b>	
Trade Receivables	Trade Receivables are estimated at 90 days credit. Looking at the nature of business and market scenario debtors are given credit period.
<b>Liabilities-Current Liabilities and provision</b>	
Other Current Liabilities& Short Term Provisions	Current Liabilities and Provisions are estimated at 30 days payment terms, as majority of the payables are towards the employees and consultants pay-outs being paid monthly.

## **II. General Corporate Expenses**

We intend to use approximately Rs. 47.00 Lakhs from the Proceeds of the Issue towards general corporate expenses as decided by our Board from time to time, including but not restricted to acquiring business premises, investment in business venture, strategic alignment, strategic initiatives, brand building exercises, strengthening our marketing capabilities in order to strengthen our operations.

Further, we confirm that the amount for general corporate purposes, as mentioned in this Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

## **III. Issue Expenses**

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar’s Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. 39.00 Lakhs which is 20.74% of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

<b>Particulars</b>	<b>Amount (Rs. in lacs)</b>
Issue Management fees including fees and reimbursements of market making fees, underwriting fees, selling commissions, brokerages, and payment to other intermediaries such as legal advisors, registrars and other out of pocket expenses.	34.00
Regulatory Fees	2.00
Other Expenses (printing, stationery, advertisement, postage etc.)	3.00
Issue expenses	39.00

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

The proposed deployment of fund and the schedule of implementation of the Issue Proceeds are set forth below:

(Rs. in Lacs)

<b>Particulars</b>	<b>Already Incurred</b>	<b>FY 2015 – 16</b>	<b>FY 2016 – 17</b>	<b>Total</b>
To Part-Finance Incremental Working Capital Requirements			102.00	102.00
General Corporate Expenses			47.00	47.00
Issue Expenses	3.00	-	36.00	39.00
<b>Total</b>	<b>3.00</b>		<b>185.00</b>	<b>188.00</b>

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

The funds deployed up to February 13, 2016 pursuant to the object of this Issue on the Project as certified by the Auditors of our Company, viz. M/s. Samir M. Shah & Co, Chartered Accountants pursuant to their certificate dated February 13, 2016 is set forth below:

Deployment of Funds	Amount (Rs. in lacs)
Issue Expenses	3.00
<b>Total</b>	<b>3.00</b>

Further, *the amount deployed so far toward issue expenses shall be recouped out of the issue proceeds.*

Sources of Funds	Amount (Rs. in lacs)
Internal Accruals	3.00
<b>Total</b>	<b>3.00</b>

### Bridge Financing

We have currently not raised any bridge loans against the proceeds of the Issue. However, depending on our requirement, we might consider raising bridge financing facilities, pending receipt of the proceeds of the Issue.

### Appraisal by Appraising Agency

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

### Shortfall of Funds

Any shortfall in meeting the object cost will be met by way of internal accruals.

### Interim use of Funds

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

### Monitoring of Utilization of Funds

There is no requirement for a monitoring agency as the Issue size is less than Rs.50,000 lakhs. Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a fiscal year, we will utilize such unutilized amount in the next fiscal year.

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

**Variation in Objects**

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

**Other confirmations**

There is no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel and Group Entities, in relation to the utilisation of the proceeds of the Issue. No part of the proceeds of the Issue will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel or our Group Entities, except in the normal course of business and in compliance with the applicable laws.

## Basis For Issue Price

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is Rs.10/- and Issue Price is Rs. 10/- per Equity Shares i.e. 1.00 times the face value.

Investors should read the following summary with the “**Risk Factors**” beginning from page 12 of this Prospectus, section titled “**Our Business**” beginning from page 71 and “**Financial Information**” beginning from page 118 of this Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

*Some of the qualitative factors which may form the basis for computing the Issue Price include the following:*

- Experienced Promoters and Senior Management Team
- Cost and Quality
- Customer Centric approach
- Flexible and Scalable Business Model
- Microsoft as our Solution Partner
- Cordial relations with our customers

For further details, refer “**Our Strength**” under chapter titled “**Our Business**” beginning from page 71 of this Prospectus.

### Quantitative Factors

Information presented in this section is derived from our Company’s restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as set forth below:

#### 1. Basic Earnings and Diluted Earnings Per Equity Share (EPS) (on Face value of Rs. 10 per share)

Period	Basic and Diluted EPS (in Rs.)	Weight
For the period ended February 15, 2016*	10.16	N.A.

*\*Not annualised*

#### Note:

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

#### 2. Price / Earnings Ratio (P/E) in relation to the Issue Price Rs. 10.00

- a. Based on for the period ended February 15, 2016; at EPS (Basic and Diluted) of Rs. 10.16 as per Restated Financial Statements, the P/E ratio is **0.98**.



**b. Industry PE:**

Industry –Computers-Software	PE ratio
Highest – 8k Miles Software Services Ltd.	1969.20
Lowest – Rolta India Limited	2.00
Average	18.80

Source: Capital Market Vol. XXX/26 February 15-28, 2016

**3. Return on Net Worth**

Period	RONW (%)	Weight
For the period ended February 15, 2016*	3.46	N.A.

\*Not annualised.

Note: The RONW has been computed by dividing net profit after tax as restated, by Networth as at the end of the year.

**4. Minimum return on post Issue Net Worth to maintain the Pre-issue EPS as on February 15, 2016 is 99.03%**

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

S. N.	Particulars	Amount (in Rs.)
a)	As on February 15, 2016	10.36
b)	After Issue	10.26
c)	Issue Price	10.00

Note: NAV has been calculated as networth divided by number of Equity Shares for the period ended February 15, 2016.

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

Particulars	EPS (Rs.)	Current Market Price (CMP)	PE Ratio	RONW (%)	NAV(Rs.)	Face Value
NINtec Systems Limited	10.16	10#	0.98	3.46	10.36	10
<b>Peer Group*</b>						
Take Solutions Limited	0.94	140.2	149.15	3.58%	26.35	1
Onward Technologies Limited	1.2	62.75	52.29	4.09%	29.01	10

\*Source: www.bseindia.com and Annual Reports of respective Companies

#CMP for Issuer Company is considered as Issue Price

Note:

- 1) All Peer comparisons are for financials on standalone basis for the full accounting year ended on March 31, 2015.
  - 2) All calculation for NINtec Systems Limited is based on the restated financials for the period ended February 15, 2016.
  - 3) The peers available are not strictly comparable considering the nature of business of the Company. The peers have been included for broad comparison.
7. The face value of our share is Rs.10/- per share and the Issue Price is of Rs.10 per share is 1.00 time of the face value.
8. The Company in consultation with the Lead Manager believes that the Issue Price of Rs.10.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors on page 12 and financial information on page.118 including important profitability and return ratios, as set out in the Auditors' Report in this Prospectus to have more informed view about the investment proposition.

## Statement of Tax Benefits

To  
The Board of Directors  
**NINtec Systems Limited**  
B-11, Corporate House  
SG Highway Bodakdev,  
Ahmedabad – 380 054  
Gujarat

Dear Sirs,

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

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’) as amended by the Finance Act, 2015 (i.e applicable to Financial Year 2015-16 relevant to Assessment Year 2016-17), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

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

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

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

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

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

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

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

**For R T Jain & Co.**  
**Chartered Accountants**  
**Firm Registration No.103961W**

**(CA Bankim Jain)**  
**Partner**  
**Membership No. 139447**  
Place: Mumbai  
Date: February 26, 2016

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

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2015-16.

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

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

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

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

## Section IV - About our Company

### Industry Overview

*This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read this entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” and related notes beginning on page 12 and 118 respectively of this Prospectus before deciding to invest in our Equity Shares.*

### Introduction

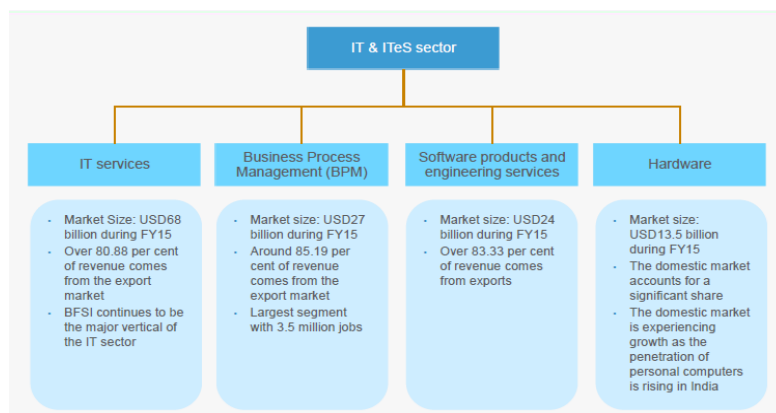
#### Information Technology Industry

India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The industry employs about 10 million workforce. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its unique selling proposition (USP) in the global sourcing market. 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.

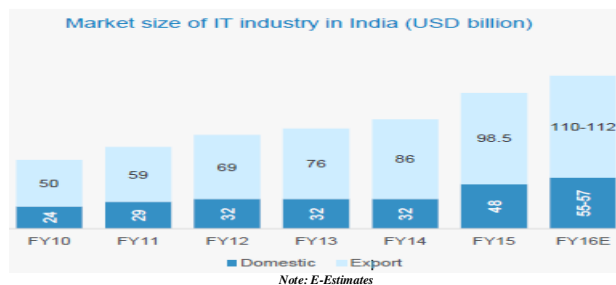
The IT-BPM sector in India grew at a Compound Annual Growth Rate (CAGR) of 15 per cent over 2010-15, which is 3-4 times higher than the global IT-BPM spend, and is estimated to expand at a CAGR of 9.5 per cent to US\$ 300 billion by 2020.

#### Segments of India's IT Sector

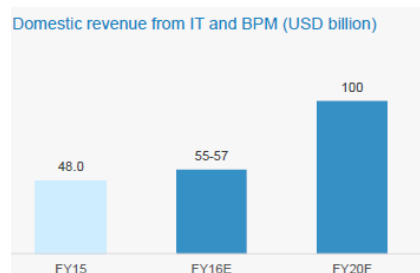


#### Market size of IT Industry in India

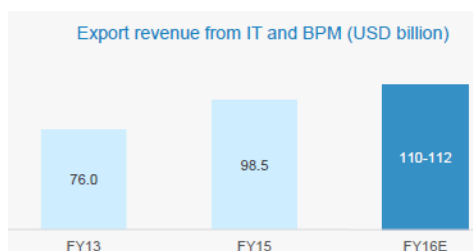
India's technology and BPM sector (including hardware) has generated revenues of USD146.5 billion during FY15 compared to USD118 billion in FY14, implying a growth rate of 23.72 per cent. The contribution of the IT sector to India's GDP rose to approximately 9.5 per cent in FY15 from 1.2 per cent in FY98.



**Domestic Revenue from IT and BPM sector is expected to touch USD(\$) 55 billion during FY16.**



**Export revenue from IT and BPM:** - India's IT industry amounts to 4.26 per cent of the global market, largely due to exports as of 2015. In the year 2015 India comprised of around 500 BPM players generating revenue of USD23 billion, which is expected to rise and reach 50 billion in 2020.



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

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

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

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

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

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

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

**Most Lucrative Sector for Investments:**

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

**Changing Business Dynamics:**

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

**Large players gaining advantage:**

- Large players with a wide range of capabilities are gaining ground as they move from being simple maintenance providers to full service players, offering infrastructure, system integration and consulting services.
- Of the total revenue, about 80 per cent is contributed by 200 large and medium players.

**New technologies:**

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

**Growth in non-linear models:**

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

**Consumerisation of IT:**

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

**Emergence of Tier II cities:**

- Tier II and III cities are increasingly gaining traction among IT companies, aiming to establish business in India
- Cheap labour, affordable real estate, favourable government regulations, tax breaks and SEZ schemes facilitating their emergence as a new IT destination.

- Giving rise to the domestic hub and spoke model, with Tier I cities acting as hubs and Tier II, III and IV as network of spokes.

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

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

#### **Rural Development:**

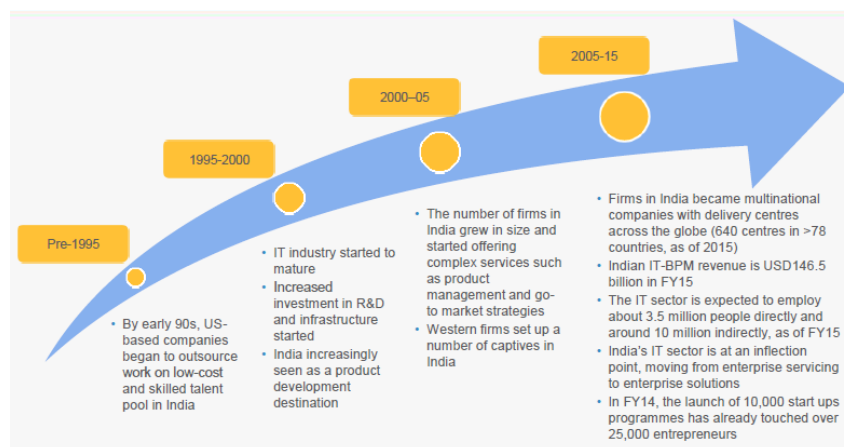
- The National Optical Fibre Network (NOFN) is being laid down in phases to connect all the 250,000 gram panchayats in the country.

#### **Advantage India**

- Strong growth in demand for exports from new verticals.
- Rapidly growing urban infrastructure has fostered several IT centres in the country.
- Expanding economy to propel growth in local demand.
- Cost savings of 60–70 per cent over source countries.
- A preferred destination for IT & ITeS in the world; continues to be a leader in the global sourcing industry with 55 per cent market share.
- The Indian IT industry has saved clients USD200 Billion in the past five years.
- IT firms in India have delivery centres across the world; as of 2015, IT firms had a total of 640 centres in >78 countries.
- India's IT industry amounts to 12.3 percent of the global market, largely due to exports.
- IT & ITes industry is well diversified across verticals such as BFSI, telecom and retail.
- Tax holidays extended to the IT sector.
- More liberal system for raising global capital, funding for seed capital & growth, and ease of doing business, etc. have been addressed.
- USD0.17 billion have been allocated for raising global capital, start ups.
- Income Tax cut on royalty fee on tech services to 10 per cent.
- Cumulative FDI inflow in computer software & hardware is USD18,170.24 million from April 2000 to September 2015.

#### **Market Overview and Trends**

##### **Evolution of India's IT Sector**



## **Growth Drivers**

IT Sector to be driven by Strong Demand and Indian Expertise



### **Global demand:**

- Global BPM spending estimated to rise by 4.4% and reach USD2.7 billion in 2015.
- Global IT services spending is expected to have declined by at around 5.5 per cent during 2015 and reached USD 3.5 trillion.

### **Policy support:**

- Tax holidays for Software Technology Park of India (STPI) and Special Economic Zone (SEZs).
- More liberal system for raising capital, seed money and ease of doing business.
- A fund of around USD16.5 million to promote new technology start-ups in the 2015-16 Budget.

### **Infrastructure:**

- Robust IT infrastructure across various cities in India such as Bengaluru.
- Technology mission for services in villages and schools, training in IT skills and e-Kranti for government service delivery and governance scheme

### **Domestic Growth:**

- Computer penetration expected to Increase.
- Increasing adoption of technology and telecom by consumers and focused government initiatives leading to increased Information and communications technology (ICT) adoption.

### **Talent pool:**

- 5.8 million graduates are estimated to have been added to India's talent pool in FY15, 1.5 million form ready to hire pool.
- Strong mix of young and experienced professionals

## **Opportunities**



**New Geographies:-**

- BRIC nations, continental Europe, Canada and Japan have IT spending of approximately USD380–420 billion.
- The Adoption of technology and outsourcing is expected to make Asia the second largest IT market.

**New customer segments:-**

- Small and Medium Businesses have IT spend of approximately USD230–250 billion, but contribute just 25 per cent to India's IT revenue.
- The emergence of new service offerings and business models would aid in tapping market profitably and efficiently.

**New verticals:-**

- Government, healthcare, media and utilities together have IT spend of approximately USD190 billion, but account just 8 per cent of India's IT revenue.
- Non-linear growth due to platforms, products and automation.
- Emerging verticals (retail, healthcare, utilities) are driving growth.

**Investment**

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 18.17 billion between April 2000 and September 2015, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Indian start-ups are expected to receive funding worth US\$ 5 billion by the end of 2015, a 125 per cent increase in a year, according to a report by IT Industry association NASSCOM.

The private equity (PE) deals increased the number of mergers and acquisitions (M&A) especially in the e-commerce space in 2014. The IT space, including e-commerce, witnessed 240 deals worth US\$ 3.8 billion in 2014, as per data from Dealogic.

India also saw a ten-fold increase in the venture funding that went into internet companies in 2014 as compared to 2013. More than 800 internet start-ups got funding in 2014 as compared to 200 in 2012, said Rajan Anandan, Managing Director, Google India Pvt Ltd and Chairman, IAMA.

About 554 start-ups received funding this year compared to 342 during last year. Seed and venture capital funds made investments worth US\$ 3.4 billion this year, three times the investment made last year. VC funding to the IT/ITes sector amounted to 55 per cent of total VC funding made this year.

Most large technology companies looking to expand have so far focused primarily on bigger enterprises, but a report from market research firm Zinnov highlighted that the small and medium businesses will present a lucrative opportunity worth US\$ 11.6 billion in 2015, which is expected to grow to US\$ 25.8 billion in 2020. Moreover, India has nearly 51 million such businesses of which 12 million have a high degree of technology influence and are looking to adopt newer IT products, as per the report.

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

- Housejoy, an online home services provider, has raised Rs 150 crore (US\$ 22.4 million) in a Series B round of funding led by Amazon, and which also includes new investors such as Vertex Ventures, Qualcomm and Ru-Net Technology Partners.

- Global private equity (PE) firm Blackstone Group has acquired a minority stake in an Indian travel, transportation and logistics software firm, IBS Software, for US\$ 170 million, by buying the stake from General Atlantic and few other shareholders;
- India's top-tier information technology (IT) company, Infosys Ltd, has bought a minority stake worth US\$ 3 million in Whoop, which is a US-based start-up that makes activity trackers worn by athletes.
- Microsoft Ventures is planning to incubate 500 start-ups in India in the next five years with a vision to create a viable and profitable business out of the booming start-up sector in India.
- National Association of Software and Services Companies (NASSCOM) plans to open four more tech start-up incubation centres in different parts of India, in addition to existing three, in support of Government of India's 'Start-up India' initiative.
- Nasscom Foundation, a non-profit organisation which is a part of Nasscom, has partnered with SAP India to establish 25 National Digital Literacy Mission (NDLM) centres in 12 cities across India, as a part of Government of India's Digital India initiative.
- Infosys, India's second largest Information Technology services company has acquired US-based Noah Consulting, a provider of advanced information management consulting services for the oil and gas industry.
- US-based Callidus Software Inc, cloud-based sales, marketing, learning and customer experience solutions provider, has opened its centre in Hyderabad and also launched its 'The Lead to Money' suite in Indian markets.
- Wipro Ventures, Wipro's US\$ 100 million corporate venture arm, plans to invest in early-stage venture capital (VC) funds based in the US to pursue a strategy of investing/partnering country-focussed VCs.
- A recent study by research firm International Data Corporation (IDC) suggests that India may soon be able to catch up with the global technology trends that have disrupted enterprises, industry and the way consumers behave and transact.
- Reliance is building a 6,50,000 square feet (sq ft) data centre in India—its 10th data centre in the country—with a combined capacity of about 1 million sq ft and an overall investment of US\$ 200 million.
- Intel Corp plans to invest about US\$ 62 million in 16 technology companies, working on wearable, data analytics and the Internet of Things (IoT), in 2015 through its investment arm Intel Capital. The Indian IoT industry is expected to be worth US\$ 15 billion and to connect 28 billion devices to the internet by 2020.
- Indian e-commerce industry is expected to grow at a CAGR of 35 per cent to reach US\$ 100 billion size in the next five years, as per a study by ASSOCHAM- Pricewaterhouse Coopers.

### **Government Initiatives**

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

The Human Resource Development (HRD) Ministry has entered into a partnership with private companies, including Tata Motors Ltd, Tata Consultancy Services Ltd and real-estate firm Hubtown Ltd, to open three Indian Institutes of Information Technology (IIITs), through public-private partnership (PPP), at Nagpur, Ranchi and Pune.

Government of India is planning to develop five incubation centres for 'Internet of Things' (IoT) start-ups, as a part of Prime Minister Mr. Narendra Modi's Digital India and Startup India campaign, with at least two centres to be set up in rural areas to develop solutions for smart agriculture.

According to research firm Gartner Inc, the Indian government is expected to increase its spending on information technology (IT) products and services by 5.2 per cent to US\$ 6.88 billion in FY 2015-16.

The Government of India has launched the Digital India program to provide several government services to the people using IT and to integrate the government departments and the people of India. The adoption of key technologies across sectors spurred by the 'Digital India Initiative' could help boost India's gross domestic product (GDP) by US\$ 550 billion to US\$ 1 trillion by 2025, as per research firm McKinsey.

India and the United States (US) have agreed to jointly explore opportunities for collaboration on implementing India's ambitious Rs 1.13 trillion (US\$ 18.22 billion) 'Digital India Initiative'. The two sides also agreed to hold the US-India Information and Communication Technology (ICT) Working Group in India later this year.

The Government of Telangana has begun construction of a technology incubator in Hyderabad—dubbed T-Hub—to reposition the city as a technology destination. The state government is initially investing Rs 35 crore (US\$ 5.3 million) to set up a 60,000 sq ft space, labelled the largest start-up incubator in the county, at the campus of International Institute of Information Technology-Hyderabad (IIIT-H). Once completed, the project is proposed to be the world's biggest start-up incubator housing 1,000 start-ups.

### **Road Ahead**

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

Exchange Rate Used: INR 1 = US\$ 0.015 as on December 17, 2015

*(Sources: www.ibef.org)*

## Our Business

*In this section “our Company” refers to the Company, while “we”, “us” and “our” refers to NINtec Systems Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with “Risk Factors” on page 12 and “Industry Overview” on page 63*

### **Business Overview**

Our Company was originally incorporated as NINtec Systems Limited on August 04, 2015 with the Registrar of Companies, Gujarat as a public limited company under the provisions of the Companies Act 2013.

We are a provider of software development services and solutions. We specialize in providing offshore software product development, software migration, multimedia design & development, application development & maintenance, web designing, digitization of engineering drawings, and search engine optimization. Our customer base includes companies from diverse industry verticals like Automotive, Print Media & Publishing, Banking, Financial Services & Insurance (BFSI), Transportation and Logistics. Our primary objective is to bring the strategic differential advantage of offshore software outsourcing to the doorstep of our customers globally.

From the most demanding to the most distant customers, we help global leaders grow and transform their business and bring greater flexibility with faster time to market through technical excellence, all at lower costs, right at their doorsteps. Our team includes professionals with combination of knowledge and experience in IT Industry. The team members have experience in understanding the cross cultural needs of the clients which holds a very important part in offshore business. The availability and accessibility of our teams to offshore clients ensures full transparency, complete control and comfort of 24x7 accessibility of the team, which is much higher than the team our clients have on their own office floor.

Our Company is headquartered in Ahmedabad and is promoted by Mr. Niraj C. Gemawat and Mr. Indrajeet A. Mitra. Our promoters have years of rich experience in software development. Our primary focus is to deliver high quality and affordable services to the broader population by leveraging our economies of scale, skilled staff, and an efficient business model.

### **OUR SERVICES:**

**The major services offered by our Company are set forth below:**

**Business Analytics:** Today, in order for a business to stay agile and ahead of its competition, data based insights are imperative. These insights help an organization to assess the impact of the past decisions and efforts, and manage the performance of its deliverables as well as to refine and streamline future processes and actions. Quick and efficient business analytics, therefore, go a long way in making informed business decisions. We use advanced analytics to extract and interpret complex data which can then be reviewed and acted upon to find better ways of doing business through use of business analytics and engage with customers and stakeholders, and ultimately leading to make better business decisions based on analytical judgements. With our business analytics solutions, data driven insights are easy to obtain and harness.

**Cloud Services:** For an enterprise to be future-ready, a fast yet easy-to-adopt cloud solution is crucial. By integrating cloud into its existing business platforms, an organization can fast-track its growth, optimize and manage its IT resources, provide better connectivity to employees and customers, and ultimately become truly agile. With our end-to-end cloud services including cloud advisory, infrastructure, integration, management, and security, enterprise’s transition to a cloud empowered organization turns seamless and efficient.

**Application Engineering:** In today’s digital world, it is only logical for businesses to undergo a transition to a digital business. A mobile enterprise is an agile enterprise, and therefore, applications transformation is crucial. We recognize the need for this transformation and so offer our clients a full suite of Application Services including planning, designing, building, implementing and optimizing application development and maintenance. We strive to help organizations remain efficient and agile, and our application services are an effective and affordable means to this end.

**Testing Services:** The emphasis on reliability and resilience of products and applications has increased many-fold in the last few years. Organizations have to now pay better attention to user-experience, system availability and security, along with improving predictability where possible.

As a result, the focus on testing has also increased significantly, with businesses significantly increasing their QA budgets and laying stress on more effective testing of their products. NINtec's QA professionals are highly experienced and follow best practices in the field. Our Testing Services include test automation, performance testing, functional testing, security testing and validation, usability and accessibility testing, regression testing, among others.

#### **OUR STRENGTH:**

We derive our strengths from following factors:

**Experienced Promoters and Senior Management Team:** Our Promoters have significant experience in the IT industry with an average experience of 19 years. The senior management consists of professionals with experience in IT industry. The experience of our Promoters and Senior Management Team has enabled us to scale up our operations and services. We believe that the strength of our management team and their understanding of the industry will enable us to take advantage of current and future market opportunities. Please refer to chapter titled "*Our Management*" beginning on page 91 of this Prospectus.

**Cost and Quality:** The paramount advantages that our customers derive from us are our fairly affordable prices in terms of services and outstanding quality. Despite a high competitive run in the IT market, we are always open to price reviews without compromising the quality at all.

**Customer Centric approach:** Our execution process is always according to our clients requisite and as required by business needs of our client and timeframes. Once involved into the project, we focus exclusively on business challenges of the customer by giving supreme service quality, adhering to schedules and budget.

**Flexible and Scalable Business Model:** Our engagement models with our customers are flexible, scalable, secure and custom defined based on specific individual needs of our customers, thereby ensuring that we follow the right strategy to ensure business transformation, lower operational costs and quick time to market. We ensure success for our customers business and in the process ensure business continuity for ourselves.

**Microsoft as our Solution Partner:** Microsoft as our Solution Partner Microsoft is the market leader in computer software, operating systems and office based applications. We are currently a Gold Partner of Microsoft which is the highest technical partnerships offered by Microsoft. This partnership allows us to use all Microsoft applications as the base platform for our products and solutions that we provide to our clients. The main advantage of being a gold partner is that we are offered live on-site and off-site support for any technical issue that may arise in course of our operations. With the support and stability of the Microsoft platforms, we can guarantee our client a stable product, universal compatibility and easy online and offline support.

**Cordial relations with our customers:** Our ability to lead clients through a program that delivers substantial business results places us in different league having cordial relations with our customers. Unlike most offshore providers, our business is based on client relationships that are driven by value and shared goals, not rigid, lock-in contracts.

#### **OUR STRATEGY:**

**Focus on New Service offerings enabled through Innovation and Use of New Platforms:** We plan to expand our service offerings as and when there exists an opportunity. We understand that the use of technology is still at very nascent stage and has great potential for development leading to value addition in the entire value chain. We propose to gain expertise in every new technology platform coming up in the market for value added services, cost-competitiveness, speed and easy to use. We forecast that there is a huge un-mined potential lying in European markets, which is still under tapped by leaders of Information technology and leading software players. Our company proposes to use innovative ideas and concepts to achieve performance parameters set by the clients in their day-to-day business processes. We believe that the trend of offshore information technology consulting work by software and service companies in the Europe will result in increased business opportunity.

**Leveraging our existing client relationship to grow business from existing, repeat and new clients:** Our goal is to build enduring relationships with both existing and new clients. With existing clients, we aim to expand the nature and scope of our engagements by increasing the size and number of projects and extending the breadth of our service offerings. For new clients, we seek to provide value added solutions by leveraging our in-depth industry expertise and expanding the breadth of services offered to them beyond those in the initial engagement. We manage first-time engagements by educating clients about the offshore model, taking on smaller projects to minimize client risk and demonstrating our superior execution capabilities. We plan to increase our recurring business with clients by providing software re-engineering, maintenance,

infrastructure management and business process management services, which are long-term in nature and require frequent client interaction.

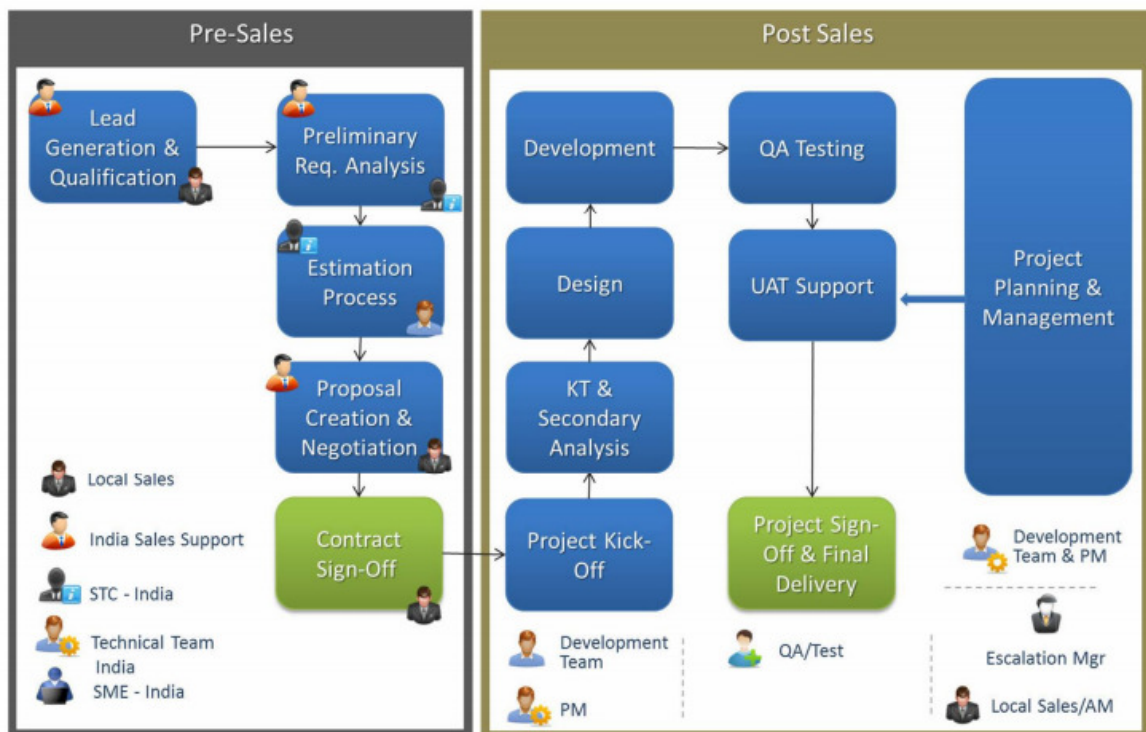
**Partnering / Alliance with Global Technology Leaders:** We intend to continue to develop alliances that complement our core competencies. Our alliance strategy is targeted at partnering with leading technology providers, which allows us to take advantage of emerging technologies in a mutually beneficial and cost-competitive manner.

**Expand geographically:** We seek to selectively expand our global presence to enhance our ability to service clients. We plan to accomplish this by visiting targeted geography and establishing new sales and marketing offices, representative offices to increase our geographical reach. We have plans to participate in various international trade fairs focusing IT industry globally viz. Cebit, Gitex, E-commerce Norge, Mobile-IT, Eurocis, Internet World, Smart Grid Expo, Mipcom, conhIT, Overheid and ICT, Infosecurity Europe, E commerce Berlin expo etc. in 2016.

**Continue to invest in infrastructure and employees:** We intend to continue investing in physical and technological infrastructure to support our growing worldwide development and sales operations and to increase our productivity. To enhance our ability to hire and successfully deploy increasingly greater numbers of technology professionals, we intend to continue investing in recruiting, training and maintaining a challenging and rewarding work environment.

### Business Process

A flow chart explaining our business process is set forth below:



#### **Pre Sales:-**

1. **Lead Generation & Qualification:** - Lead generation is about identifying customers or prospects depending on their requirement. It is an ongoing exercise to generate new business.
2. **Preliminary requirement analysis:** - It is a detail process to understand the requirement of the IT service required by the prospects in terms of efficacy, efficiency, and user interface of the IT need.

3. **Estimation Process:-** Estimation process is about estimating and evaluating the man hours required to achieve the requirement of the Client in terms of the IT service.
4. **Proposal creation and negotiation:-** To document the entire process of execution with every stage for agreement with client and keeping it for record purpose.
5. **Contact Sign off:-** After end to end negotiation the contract or the official will be signed carrying the terms and conditions agreed upon.

#### **Post Sales:-**

1. **Project kick off:-** It involves deploying of key resources & understanding the technology to initiate the execution.
2. **Knowledge Transfer (KT) and Secondary Analysis:-** In depth study and knowledge transfer of the project requirement based on clients functional requirements.
3. **Design:-** In a nut shell design means lay outting the functional execution with step to step defining of the operational functionalities.
4. **Development:-** After end to end study and finalising the layout chart or design, development is a core process which involves use of technology, data centres, language, for creating operational model which will lead to functioning as per the requirement of the client.
5. **Quality Assurance (QA) Testing:-** Once the requirement is channelized into operational working, the same is tested again and again to make it operationally error free. It's a routine process we undergo the same for each of the service we provide.
6. **User Acceptance Test Support (UATS):-** It's a refining process which is for satisfaction of clients regarding their operational requirement and functioning of the delivered service in that manner.
7. **Project Sign off and Final Delivery:-** Once the client is satisfied in terms of operational functionality the project is signed off as an official document and final delivery of the service has been handed over the client.

#### **Our Vision**

To become the most preferred IT services company by delivering cutting-edge and cost-effective technology solutions that enable success of enterprises across the globe, while also helping our employees realize and expand their potential.

#### **Our Mission**

To provide best-in-class IT services and solutions to our clients by making effective use of latest technologies, innovative solutions and experience-based processes and methodologies.

#### **Swot**

##### **Strengths**

- Dedicated and Experienced Management Team
- Cordial relations with Customers
- Rich and wide talent pool, availability of English speaking graduates and engineering graduates.
- Attrition rate is low.
- Technological competency is high
- Benefits due to geographical location and time difference.
- Economical benefits due to reduced labour cost



**Weakness**

- Lack of adequate infrastructural support
- Diversity in culture
- Legal issues
- Data protection and privacy issues

**Opportunities**

- Availability of manpower
- High quality of information technology
- The market potential is high
- Growing economy
- Educated young generation

**Threats**

- Slowdown of demand
- Competition from other countries like china, Philippians and eastern European countries
- Government & regulatory norms

**Future Prospects:**

The future plans of our Company are in line with the way the industry is thinking and planning ahead. Our Company is trying to increase the geographical areas of operations to cater to the growing market.

**Plant and Machinery**

We are into the business of software development solutions, hence we do not own any major plant and machinery.

**Quality Assurance**

We understand that the brand can be build from the quality and trends of our services which we supply. We follow utmost quality standards. In order to increase our brand and maintain the quality of our service, we follow a stringent quality control mechanism for all our service.

**Capacity and Capacity Utilization:**

Our Company is engaged in the software development business and hence capacity and capacity utilisation is not applicable to us.

**Collaborations**

The Company has so far not entered into any technical or financial collaboration agreement.

**Utilities****Water**

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

**Power**

The company does not require much power except the normal requirement of the offices of the Company and for lighting, systems etc. adequate power is available.



## Human Resources

The details of manpower employed as on date are as set forth as under:-

Category	No. of Employees
Managing Director	1
Company Secretary and Compliance Officer	1
Chief Financial Officer	1
MIS & Legal	1
Taxation & Treasury	1
Head HR	1
Recruitment, Employee Engagement, Appraisal & Training	1
Sales Head and Business Manager	1
STC Support	1
Project Manager	1
Tech Architect and Program Manager	1
Software Engineer	8
<b>Total</b>	<b>19</b>

## Competition

In today's dynamic business environment which is filled with rapid change of technology, government policies, mounting competitive threats and constant new entrants into market, makes it challenging to sustain and handle the intricacies and provide competitive solutions to its clients. We face competition from domestic and international Companies. We foresee this competition to continue to grow as the demand for software development solutions increases. Apart from that, clients may reduce their dependency on vendors in India and outsource work to other offshore destinations such as China, Russia and Eastern European countries. Further we believe that our competition also depends on several factors which include currency fluctuations, changing business framework, information technology policies, difficult to retain skilled staff etc.

## Export Possibility and Obligation

We have most of the business coming from various countries in US and Europe, however we don't have any minimum export obligation.

## Marketing Set up and Strategy

Our marketing strategy is targeted at gaining new business from target customers, increasing market awareness of our brand and services, selling our services to existing customers and promoting repeat business from existing customers. Our business development team is actively focused on business development and marketing activities headed by an experienced Sales Head supported by Business Manager and technical team.

Our goal is to build enduring relationships with both existing and new clients. With existing clients, we aim to expand the nature and scope of our engagements by increasing the size and number of projects and extending the breadth of our service offerings. For new clients, we seek to provide value added solutions by leveraging our in-depth industry expertise and expanding the breadth of services offered to them beyond those in the initial engagement. We manage first-time engagements by educating clients about the offshore model, taking on smaller projects to minimize client risk and demonstrating our superior execution capabilities. We plan to increase our recurring business with clients by providing software re-engineering, maintenance, infrastructure management and business process management services, which are long-term in nature and require frequent client interaction.

We intend to continue to develop alliances that complement our core competencies. Our alliance strategy is targeted at partnering with leading technology providers, which allows us to take advantage of emerging technologies in a mutually beneficial and cost-competitive manner. We seek to selectively expand our global presence to enhance our ability to service clients.

## Our Properties

Our company operates from properties set forth below:

S. N.	Location	Title (Leased /Owned/ Rental / Leave and License)	Date of the Agreement	Rent per month (in Rs.)	Purpose
1.	B-11 Corporate House SG Highway, Bodakdev Ahmedabad-380054, Gujarat	Lease Agreement	28/09/2015	40,000/-	Registered Office

## Intellectual Property:

We have not obtained any intellectual property rights.

## Insurance Policies

We have not obtained any insurance policy.

## **Key Industry Regulations and Policies**

The following description is a summary of the relevant regulations and policies as prescribed by the Central / State Governments that are applicable to our Company in India. The information detailed in this chapter 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 be a substitute for professional legal advice.

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India that are applicable to the Company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Our Company is bound by several legislations applicable to it. Some of the key regulations applicable to our Company are summarized hereunder:

### **INDUSTRY-SPECIFIC REGULATIONS**

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

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

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

The Copyright Act, 1957 (“**Copyright Act**”) protects original literary, dramatic, musical and artistic works, Cinematographic films and sound recordings from unauthorized use of such works. Unlike the case with patents, copyright protects the expressions and not the ideas. There is no copyright in an idea. The object of copyright law is to encourage authors, artists and composers to create original works by rewarding them with exclusive right for a fixed period to reproduce the works for commercial exploitation. Copyrights subsist in following class of works: a) Original literary, musical, dramatic and artistic works b) Cinematograph films c) Sound recordings Under the copyright law the creator of the original expression in a work is its author who is vested with a set of exclusive rights with respect to the use and exploitation of the work. The author is also the owner of the copyright, unless there is a written agreement by which the author assigns the copyright to another person or entity, such as a publisher, where work is done under a ‘work for hire’ agreement, the copyright vests with the hirer, i.e., the person providing the work. The owner of copyright in a work can assign or license his copyright to any person, such as publisher, under a written agreement. Copyright subsists in a work since the time it comes into being. Therefore, registration of copyright neither creates any rights nor precludes enforcement of the existing ones. However, owing to its evidentiary value, a registered copyright is easier to establish in the court of law. The term of copyright varies across different types of works. Therefore, except as specifically provided in the Copyright Act, a copyright shall subsist in any literary, dramatic, musical or artistic work (other than a photograph) published within the lifetime of the author until 60 (sixty) years from the beginning of the calendar year next following the year in which the author dies.

#### **The Electricity Act, 2003**

The Electricity Act, 2003 (the “**EA 2003**”) is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity, that seeks to replace the multiple legislations that governed the Indian power sector. The most significant reform initiative under the EA 2003 was the move towards a multi buyer, multi seller system as opposed

to the existing structure which permitted only a single buyer to purchase power from power generators. In addition, EA 2003 provides for a greater flexibility and grants the respective electricity regulatory commissions" greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The Act seeks to encourage competition with appropriate regulatory intervention. An Appellate Tribunal to hear appeals against the decision of the Central Electricity Regulatory Commission and State Electricity Regulatory Commissions has been established. However, EA 2003 provided that transmission, distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, unless exempted by the appropriate government in accordance with the provisions of EA 2003. It was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. Government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

Pursuant to a notification dated October 14, 2009, the Central Electricity Regulatory Commission has notified the Central Electricity Regulatory Commission (Furnishing of Technical Details by the Generating Companies) Regulations, 2009, which requires that electricity generating companies furnish technical details to the Central Electricity Regulatory Commission regarding the generating stations operated by them. Furthermore, these regulations stipulate that any power generating company that proposes to set up a 85 generating station must provide the Central Electricity Regulatory Commission with the required technical details three years prior to the commercial operation of the stations proposed to be set up.

#### **Gujarat's Information Technology / Information Technology Enabled Services Policy (IT / ITES) – 2014-2019 ("IT/ITES Policy")**

Gujarat IT Scenario Gujarat has taken a few significant strides in the field of IT during the last decade, especially in the adoption of modern technology for governance. Gujarat has proved and shown that the power of technology can be harnessed to act as a force multiplier in addressing the current challenges in the fields of agriculture, education, healthcare, energy, industry, telecommunication, rural development, tourism, textile, etc. in general and ensuring equitable and inclusive growth and development, in particular:

- Gujarat is one of the most investor-friendly States in the country.
- Gujarat has one of the highest tele-densities in the country
- Gujarat is one of the most e-governed States in the country.
- Gujarat has an excellent physical infrastructure with a strong and conducive ecosystem for industries.
- Gujarat also has a number of Vibrant Tier II cities with advantages like availability of skilled resources, reasonable real estate cost and low employee attrition rate.

Against this backdrop, the new IT Policy of the State Government has been under active consideration for some time.

**OBJECTIVES:** The key objectives of this Policy during the policy period of five years are:

1. To increase the current investment in IT/ITeS sector by 5 times.
2. To increase the turnover up to USD 15 Bn.
3. To increase IT exports from the State up to USD 1 Bn.
4. To promote and develop employment opportunities in the IT and ITeS and provide direct employment to 10 lakh persons.
5. To focus, inter alia, on Financial Services, Mobile Applications, Animation, 3D-Gaming & Digital Entertainment

The IT/ITES Policy 2015 sets out major drivers that will enable growth of the sector across the State. Salient features of the policy have been enumerated below:

- a. To retain Gujarat's leadership position in IT/ITES Sector within the country.
- b. To further accelerate investment flow to industrially underdeveloped regions of the state.
- c. To create more employment opportunities for educated youths of all sections of the society across all regions.

- d. Achieving higher level of export turnover resulting in enhanced productivity and augmentation of Gross State Domestic Product (GSDP).
- e. Leveraging information technology as a tool for the socio- economic development of the State.

### **The Bombay Shops & Establishments Act, 1948**

The Company has its registered office in the state of Gujarat. Accordingly the provisions of the Bombay Shops and Establishments Act, 1948 are applicable to the Company. The provisions of the Bombay Shops and Establishments Act, 1948 regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

## **LABOUR LAWS**

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

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of 'five year continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days' wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of Rs. 10,00,000/- (Rupees Ten Lakhs Only) for an employee.

The following rules are applicable to the Company:

#### ***Payment of Gratuity (Gujarat) Rules, 1973***

### **The Minimum Wages Act, 1948 ("MWA Act")**

The Minimum Wages Act, 1948 was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages.

The following rules are applicable to the Company:

#### ***Minimum Wages (Gujarat) Rules, 1963***

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

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory and every other establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment upto 6 (six) months or a fine up to Rs. 1,000/- (Rupees One Thousand Only) or both.

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

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It inter-alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women.

### **Equal Remuneration Act, 1976**

Equal Remuneration Act, 1976 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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes 1 (one) or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs.50,000/- (Rupees Fifty Thousand Only).

## **TAX RELATED LEGISLATIONS**

### **The Central Sales Tax Act, 1956 (“CST Act”)**

The Central Sales tax is levied on the sale of moveable goods within India in the course of inter-state trade or commerce and is governed by the provisions of the CST Act. If the goods move between States pursuant to a sale arrangement, then the taxability of such sale is determined by the CST. On the other hand, the taxability of a sale of movable goods within the jurisdiction of the State is determined as per the local sales tax/Value Added Tax legislation in place within such State.

### **Value Added Tax (“VAT”)**

Value Added tax is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Sales Tax Officer of the respective State.

The following Act and rules are applicable to the Company:

*Gujarat Value Added Tax Act, 2003,*

*Gujarat Value Added Tax Rules, 2006.*

### **Income-tax Act, 1961 (“IT Act”)**

The Income-tax Act, 1961 is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every

Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

### **Service Tax**

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the quarterly return electronically.

### **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 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.

#### ***Gujarat State Tax on Professional, Trades and Callings and Employment Act, 1976 ("Professional Tax Act")***

The Professional Tax Act aims to provide for the levy and collection of a tax on professions for the benefit of the State. The tax payable under the Professional Tax Act by any person earning a salary or wage, shall be deducted by his employer from the salary or wage payable to such person, before such salary or wage is paid to him, and such employer shall, irrespective of whether such deduction has been made or not, when the salary or wage is paid to such person, be liable to pay tax on behalf of all such persons. The Professional Tax Act inter-alia requires every employer liable to pay tax under the Professional Tax Act to obtain a certificate of registration from the prescribed authority. The Professional Tax Act also inter-alia requires every person liable to pay tax under the Professional Tax Act (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), to obtain a certificate of enrolment from the prescribed authority.

### **Labour and Environmental Legislations**

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

1. Contract Labour (Regulation and Abolition) Act, 1970;
2. Payment of Wages Act, 1936;
3. Payment of Bonus Act, 1965;
4. The Maternity Benefit Act, 1961;
5. Employees' State Insurance Act, 1948;
6. Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
7. The Industrial Disputes Act, 1947;
8. Payment of Gratuity Act, 1972;

9. Minimum Wages Act, 1948.

## **OTHER REGULATIONS**

### **Transfer of Property Act, 1882 (“T.P. Act”)**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter. The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- **Sale:** The transfer of ownership in property for a price, paid or promised to be paid.
- **Mortgage:** The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.
- **Charges:** Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- **Leases:** The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- **Leave and License:** The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

### **The Registration Act, 1908 (“Registration Act”)**

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **The Indian Stamp Act, 1899 (“Stamp Act”)**

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one State to another. Certain State in India have enacted their own legislation in relation to stamp duty while the other State have adopted and amended the Stamp Act, as per the rates applicable in the State. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and



deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from State to State.

### **The Bombay Stamp Act 1958 as amended by Gujarat Stamp (Amendment) Act (“Gujarat Stamp Act”) and Gujarat Stamp Rules, 1978**

Gujarat Stamp Act prescribes the different rates of duties on the instrument falling within the various descriptions set-out in Schedule I of the said Act, then the instrument is chargeable with the highest of the duty prescribed. In addition, the said Act also prescribes methodology for adjudication, refund of duties, grievance processes and prosecutions. The Collector is normally vested with the power of adjudication. If a document is not stamped or adequately stamped, it is likely to be impounded.

### **The Indian Contract Act, 1872 (“Contract Act”)**

The Indian Contract Act, 1872 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 (“Specific Relief Act”)**

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Specific Relief Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘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.

### **Competition Act, 2002 (“Competition Act”)**

The Competition Act, 2002 aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“**Competition Commission**”) 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 Companies Act, 1956**

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

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

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 (Ninety Eight) Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 (One Eighty Three) Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code).

### **Importer Exporter Code**

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

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

Under the Trademarks Act, 1999, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

### **The Patents Act, 1970**

The Patents Act, 1970 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 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 Act deems that computer programs per se are not ‘inventions’ and are therefore, not entitled to patent protection. This position was diluted by The Patents Amendment Ordinance, 2004, which included as patentable subject matter:

1. Technical applications of computer programs to industry; and
2. Combinations of computer programs with the hardware.

However, the Patents Amendment Act, 2005, does not include this specific amendment and consequently, the Patents Act, as it currently stands, disentitles computer programs per se from patent, may disentitle the said invention to patent protection on grounds of lack of novelty. Under the Act, an invention will be regarded as having ceased to be novel (and hence not patentable), inter alia, by the existence of:

1. Any earlier patent on such invention in any country;
2. Prior publication of information relating to such invention;
3. An earlier product showing the same invention; or
4. A prior disclosure or use of the invention that is sought to be patented.

Following its amendment by the Patents Amendment Act, 2005, the Patents Act permits opposition to grant of a patent to be made, both pre-grant and post-grant. The grounds for such patent opposition proceedings, inter alia, include lack of novelty, inventiveness and industrial applicability, non-disclosure or incorrect mention of source and geographical origin of biological material used in the invention and anticipation of invention by knowledge (oral or otherwise) available within any local or indigenous community in India or elsewhere. The Act also prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. Following a patent application in India, a resident must wait for six weeks prior to making a foreign application or may obtain the written permission of the Controller of Patents to make foreign applications prior to this six week period. The Controller of Patents is required to obtain the prior consent of the Central Government before granting any such permission in respect of inventions relevant for defence purpose or atomic energy. This prohibition on foreign applications does not apply, however, to an invention for which a patent application has first been filed in a country outside India by a person resident outside India.

#### **Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)**

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

#### **REGULATIONS REGARDING FOREIGN INVESTMENT**

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

Foreign investment in companies such as information technology service industry is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) read with the applicable regulations. The Department of Industrial Policy and Promotion (“DIPP”), Ministry of Commerce and Industry has issued the Consolidated FDI Policy (the “**FDI Circular**”) which consolidates the policy framework on Foreign Direct Investment (“FDI”), with effect from May 12, 2015. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till May 11, 2015. All the press notes, press releases, clarifications on FDI issued by DIPP till May 11, 2015 stand rescinded as on May 12, 2015. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the approval route, prior approval of the Government of India through FIPB is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in

exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. The Consolidated FDI Circular dated May 12, 2015 issued by the DIPP does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route. No approvals of the FIPB or the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue. RBI has also issued Master Circular on Foreign Investment in India dated July 01, 2015 which is valid till June 30, 2016. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. As mentioned above, the Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

## History and Certain Other Corporate Matters

Our Company was incorporated as NINtec Systems Limited on August 04, 2015 with the Registrar of Companies, Gujarat as a public limited company under the provisions of the Companies Act 2013.

Our Corporate Identification Number is U72900GJ2015PLC084063.

The promoters of our Company are Mr. Niraj C. Gemawat and Mr. Indrajeet A. Mitra.

We are a provider of software development services and solutions. We specialize in providing offshore software product development, software migration, multimedia design & development, application development & maintenance, web designing, digitization of engineering drawings, and search engine optimization. Our customer base includes companies from diverse industry verticals like Automotive, Print Media & Publishing, Banking, Financial Services & Insurance (BFSI), Transportation and Logistics. Our primary objective is to bring the strategic differential advantage of offshore software outsourcing to the doorstep of our customers globally.

### Changes in the Registered Office of our Company

The Registered Office of our Company is situated at B-11 Corporate House SG Highway, Bodakdev, Ahmedabad-380054, Gujarat .

There have been no changes in the registered office address of our Company since incorporation.

### Main Objects of our Company

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

To carry on the business activities based on software technology for Navigation Information Technology System, software development and other Information Technology enabled services. To establish and carry in India and/or abroad the business of developing, designing, manufacturing, processing, assembling, buying, selling, importing, exporting, marketing, wholesaling, retailing of social media, cloud, automotive based computer software, hardware products, medical transcription, internet services providers, web designers, communication through electronic media, e-commerce, developing software for computer system for data processing, data acquisition, data transmission, industrial instrumentation and process control, run data processing centers, call centers and offer consultancy, engineering and other information technology enabled services that are normally offered by data processing and computer centers to industrial, commercial, business and other types of customers and to act as agents/advisors to the computer software and hardware and allied industries and to impart computer educational training on software, hardware and electronic data processing to customers and others.

### Changes in the Memorandum of Association

The changes made in the Memorandum of Association of our Company since inception is set forth below

Date	Particulars
09/01/2016	Clause V a) of the MOA was amended to reflect the increase in authorised share capital from Rs. 5.00 Lacs divided into 50,000 Equity Shares of Rs.10 each to Rs. 750.00 Lacs divided into 75,00,000 Equity shares of Rs.10 each

### Major Events and Milestones

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

Year	Particulars
August, 2015	Incorporation of the Company in the name and style of “NINtec Systems Limited”

**Other details regarding our Company**

For details regarding the description of our activities, including of our business, geographical presence, growth, competition, products, capacity build-up, technology, and managerial competence, please see sections entitled “*Our Business*”, “*Our Management*” and “*Industry Overview*” beginning on pages 71, 91 and 63, respectively.

**Holding Company of our Company**

Our Company has no holding company as on the date of filing of this Prospectus.

**Subsidiary of our Company**

There is no subsidiary of our Company as on the date of filing of this Prospectus.

**Injunctions or Restraining Orders**

There are no injunctions/ restraining orders as on the date of this Prospectus.

**Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamation etc.**

There are no acquisitions of business/undertakings, mergers, amalgamation as on the date of this Prospectus.

**Changes in the activities of our Company since inception**

There has been no change in the business activities of our Company since inception.

**Capital raising activities through Equity or Debt**

For details of the equity capital raising of our Company, please refer to the chapter titled “**Capital Structure**” beginning on pages 44 of this Prospectus. We have not done any debt issuances or raised any long term debt since incorporation till date.

**Changes in the Management**

There has been no change in the management since inception.

**Shareholders Agreements**

Our Company has not entered into any shareholders agreement as on date of filing of this Prospectus.

**Strikes and Lock-Outs**

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

**Joint Venture and Other Agreements**

As on the date of filing the Prospectus, there is no existing Joint Venture or other Agreements entered into by our Company.

**Time and Cost Overrun**

In respect of projects undertaken by our Company since its incorporation, there have been no time and cost overruns

**Guarantees given to third parties**

Our Promoters have not given any Guarantees to third parties

**Other Agreements**

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of the Prospectus.

**Collaboration**

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

**Strategic Partner**

Our Company does not have any strategic partner as on the date of filing of this Prospectus.

**Financial Partner**

Our Company does not have any financial partner as on the date of filing of this Prospectus.

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

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Prospectus.

**Number of Shareholders**

Our Company has Nine (9) shareholders on date of this 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. Our Company currently has Eight (8) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Other Directorships/Designated Partners
<b>Mr. Niraj C. Gemawat</b>  <b>S/o:</b> Mr. Chhaganraj B. Gemawat  <b>Designation:</b> Managing Director  <b>Term:</b> Appointed as the Managing Director for a period of 5 years w.e.f. February 01, 2016  <b>Address:</b> 55, Tapovan Society, S.M. Road, Ahmedabad-380015, Gujarat, India  <b>Occupation:</b> Business  <b>PAN:</b> ACZPG9101H  <b>Nationality:</b> Indian  <b>DIN:</b> 00030749	42 Yrs	<b>Indian Companies:</b> 1. Gateway Education And Training Private Limited 2. Gateway Nintec Private Limited 3. Gateway Technolabs Private Limited 4. Aarvee Technolabs Private Limited 5. VIN IT Solutions LLP 6. Gateway Animedia Works LLP 7. Nintec Business Consulting LLP  <b>Foreign Companies:</b> 1. Aarvee Holding B.V. 2. Gateway Technolabs UK Ltd. 3. Gateway Technolabs Iceland ehf
<b>Mr. Indrajeet A. Mitra</b>  <b>S/o:</b> Mr. Anath U. Mitra  <b>Designation:</b> Non-Executive Director  <b>Term:</b> Liable to Retire by Rotation  <b>Address:</b> 95 Basant Bahar-1, Bungalows, Bopal Road, Near Gala Gymkhana Club, Bopal, Ahmedabad-380054, Gujarat, India  <b>Occupation:</b> Business  <b>PAN:</b> AEXPM1239A  <b>Nationality:</b> Indian  <b>DIN:</b> 00030788	43 Yrs	<b>Indian Companies:</b> 1. Gateway Gourmet Private Limited 2. Gateway Nintec Private Limited 3. Gateway Technolabs Private Limited 4. VIN IT solutions LLP 5. Gateway Animedia Works LLP  <b>Foreign Companies:</b> 1. Gateway Technolabs Canada Limited 2. I.M. Holdings B.V. 3. Gateway Technolabs UK Limited
<b>Mr. Vipin Moharir</b>  <b>S/o:</b> Mr. Vijay Vishnu Moharir  <b>Designation:</b> Additional Non-Executive Director  <b>Term:</b> Liable to Retire by Rotation  <b>Address:</b> Aburahout-30, Zoetermeer, 2719mz, Netherlands  <b>Occupation:</b> Business	45 Yrs	<b>Indian Companies:</b> 1. Gateway Nintec Private Limited 2. Gateway Technolabs Private Limited  <b>Foreign Companies:</b> 1. Gateway TechnoLabs USA Corp 2. Gateway TechnoLabs Canada Ltd 3. Gateway TechnoLabs Sweden AB 4. Gateway TechnoLabs UK Ltd 5. Gateway TechnoLabs Iceland ehf



Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Other Directorships/Designated Partners
<b>PAN:</b> ARQPM1629L  <b>Nationality:</b> Dutch, OCI  <b>DIN:</b> 02245355		6. TecThink B.V.
<b>Ms. Rachana N. Gemawat</b>  <b>D/o:</b> Lalchand B. Gadia  <b>Designation:</b> Additional Non-Executive Director  <b>Term:</b> Liable to Retire by Rotation  <b>Address:</b> 55, Tapovan Society, Ambawadi Vistar Post Off, Ahmedabad- 380015, Gujarat, India  <b>Occupation:</b> Service  <b>PAN:</b> ADVPG4471F  <b>Nationality:</b> Indian  <b>DIN:</b> 02029832	39 Yrs	<b>Indian Companies</b>  NIL  <b>Foreign Companies:</b>  NIL
<b>Mr. Vishal R. Shah</b>  <b>S/o :</b> Ramesh B. Shah  <b>Designation:</b> Additional Independent Director  <b>Term:</b> Appointed as Independent Director for a fixed period of 5 years w.e.f. February 15, 2016  <b>Address:</b> 401-18, Satyagrah Chhavni, Jodhpur, Yunik Park Jodhpur, Ahmedabad-380053, Gujarat, India  <b>Occupation:</b> Business  <b>PAN:</b> AGSPS6097D  <b>Nationality:</b> Indian  <b>DIN:</b> 01681950	40 Yrs	<b>Indian Companies</b>  Fancy Foam Private Limited  <b>Foreign Companies:</b>  NIL
<b>Mr. Parminder Singh S. Chhabda</b>  <b>S/o :</b> Surendra Singh K. Chhabda  <b>Designation:</b> Additional Independent Director  <b>Term:</b> Appointed as Independent Director for a fixed period of 5 years w.e.f. February 15, 2016  <b>Address:</b> 4, Azad Society, Ambawadi, Ahmedabad-380015, Gujarat, India  <b>Occupation:</b> Business  <b>PAN:</b> AAOPC8605R	43 Yrs	<b>Indian Companies</b>  Vimla Shelters Private Limited  <b>Foreign Companies:</b>  NIL

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Other Directorships/Designated Partners
<b>Nationality:</b> Indian <b>DIN:</b> 01715488		
<b>Mr. Hursh P. Jani</b> <b>S/o :</b> Pareshkumar R. Jani <b>Designation:</b> Additional Independent Director <b>Term:</b> Appointed as Independent Director for a fixed period of 5 years w.e.f. February 15, 2016 <b>Address:</b> 28 Sarthi -3, Thaltej, Ahmedabad-380052, Gujarat, India <b>Occupation:</b> Professional <b>PAN:</b> AEMPJ8760N <b>Nationality:</b> Indian <b>DIN:</b> 01356764	31 Yrs	<b>Indian Companies</b> 1. Jay Ambe Corporate Consultants Private Limited 2. Jani Infrastructure Private Limited <b>Foreign Companies:</b> NIL
<b>Mr. Bhushan Saluja</b> <b>S/o :</b> Madanlal W. Saluja <b>Designation:</b> Additional Independent Director <b>Term:</b> Appointed as Independent Director for a fixed period of 5 years w.e.f. February 15, 2016 <b>Address:</b> Saluja Cottage, Opp. Nehru Nagar, S.M. Road, Ahmedabad-380015, Gujarat, India <b>Occupation:</b> Business <b>PAN:</b> ALTPS4863P <b>Nationality:</b> Indian <b>DIN:</b> 00312854	42 Yrs	<b>Indian Companies</b> 1. Cassa Exim Private Limited 2. Cassa Textile Engineers Private Limited 3. Amar Management Consultants Private Limited 4. Arbor Vetum Exim Private Limited <b>Foreign Companies:</b> NIL

**Note:**

As on the date of the Prospectus:

1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date.
2. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Prospectus or (b) delisted from the stock exchanges.
3. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

## Details of Directors

**Mr. Niraj C. Gemawat** aged 42 years, is a Managing Director and Promoter of our Company. He has completed his Bachelors in Engineering (B.E.), Ahmedabad and Post-Graduation in Business Administration (MBA), from Pune. He has joined our Company on August 04, 2015. He Looks after Business Development and Management of the Company. People management, financial planning and process orientation at operational level have been his forte. He spells out the vision and the strategic direction of our Company and oversees our Company's expansion. In addition to driving revenue and profitability, a key part of his focus is to ensure that the appropriate structure is in place to deliver continued high levels of client satisfaction for growth in the Company. He is drawing a salary of Rs. 50,000 per month.

**Mr. Indrajeet A. Mitra** aged 43 years, is a Non-Executive Director and Promoter of our Company. He has completed his Bachelor of Science (BSc.), from Ahmedabad and Masters in Computer Applications (MCA), from Ahmedabad. He has joined our Company on August 04, 2015. He looks after the technology transformation, quality and overall project management, deciding the Best Software Development practices to be followed by the Company and client interactions on technology part.

**Mr. Vipin Moharir** aged 45 years, is a Non-Executive Director of our Company. He holds a Bachelor degree of Engineering from University of Pune and Master of Business Administration (Information Technology and Management) from Maastricht School of Management, Netherlands. He has over 15 years of managerial & consulting experience working across large IT-enabled business areas and also currently serves on the board of directors of The Netherlands India Chamber of Commerce and Trade (NICCT). He has joined our Company on February 15, 2016.

**Ms. Rachana N. Gemawat** aged 39 years, is a Non-Executive Director of our Company. She has completed her Bachelor of Dental Surgery from Pune University and she also holds a degree in Executive Diploma in Marketing from the Nirma University, Ahmedabad. She looks after the administration department of the Company. She also coordinates with Sales Team for leads management, Proposals, Estimations and the Technical team for the requirements generated from leads. She has joined our Company on February 15, 2016.

**Mr. Vishal R. Shah** aged 40 years is a Non-Executive Independent Director of our Company. He holds a degree in Bachelor of Commerce from Gujarat University and has entrepreneurship experience of over 19 years. As an Independent Director of our Company, with his corporate acumen, he brings value addition to our Company. He has joined our Company on February 15, 2016.

**Mr. Hursh P. Jani** aged 31 years is a Non-Executive Independent Director of our Company. He is a science graduate from Gujarat University. He holds a Bachelor's degree in Law from L.A. Shah Law College. He is an advocate and solicitor by profession, having an experience of over six years in the field of law and legal advisory services and provides our Company with valuable guidance in his sphere of knowledge. He has joined our Company on February 15, 2016.

**Mr. Parminder Singh S. Chhabda** aged 43 years is a Non-Executive Independent Director of our Company. He holds a degree in Bachelor of Engineering (civil) from Sardar Patel University. He has an experience of approx. 19 years in real estate industry. He has successfully many constructions project and has achieved commendable success in his sector. He has joined our Company on February 15, 2016.

**Mr. Bhushan Saluja** aged 42 years is a Non-Executive Independent Director of our Company. He holds a Bachelor's degree in Engineering from Sardar Patel University. He has joined our Company on February 15, 2016.

## Confirmations

There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.

The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.

None of the Directors is or was a director of any listed Company during the last five years preceding the date of filing of the Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such company.

None of the Directors is or was a director of any listed Company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.

None of the Directors are on the RBI List of willful defaulters as on the date of filing of this Prospectus.

### **Nature of Family Relationship among Directors**

There is no relationship amongst the directors except that Ms. Rachana N. Gemawat is spouse of Mr. Niraj C. Gemawat.

### **Borrowing Powers of the Directors**

In accordance with the Articles of Association and pursuant to the EGM of our Company held on January 30, 2016, the Board is authorised to borrow money, mortgage, hypothecate and/or charge all of our Company's immovable and movable properties, present and future, in such sum form or manner as the Board may think fit for securing loans already obtained or that may be obtained from our Company's banker or any other banks, financial institution or any other lending institutions or persons, provided that the total amount of money or monies so borrowed (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), by our Company shall not, at any time, exceed the Rs. 20.00 crores.

### **Terms of Appointment and Compensation of our Directors**

<b>Name</b>	Mr. Niraj C. Gemawat
<b>Designation</b>	Managing Director
<b>Period</b>	Appointed for a period of five years w.e.f. February 01, 2016
<b>Remuneration</b>	Rs. 50,000/- per month
<b>Remuneration paid Upto February 15, 2016</b>	Rs. 25,662/-

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

### **Non-Executive Directors**

Non-executive Director of our Company is entitled to a sitting fees of Rs. 2,000/- for each meeting of the Board and Committees attended pursuant to a resolution of the Board of Directors dated February 15, 2016. Further, pursuant to a resolution of the Board of Directors and the Shareholders dated January 09, 2016 and January 30, 2016 respectively, the Non-Executive Directors are entitled to receive commission, if any, not exceeding to 1%(one percent) per annum of the net profits of our Company computed in accordance with the provisions of the Act, for each of the five financial years commencing from April 01, 2016.

### **Shareholding of Directors in our Company**

Other than the following, none of our Directors holds any Equity Shares as of the date of filing this Prospectus:

<b>Name of Director</b>	<b>Number of Equity Shares held</b>	<b>Percentage of pre-Issue capital</b>
Mr. Niraj C. Gemawat	12,50,000	25.00
Mr. Indrajeet A. Mitra	3,22,500	6.45
Ms. Rachana N. Gemawat	9,45,000	18.90

Our Directors do not hold any outstanding vested options, pursuant to the employee stock option scheme implemented by our Company.

Our Articles of Association do not require our Directors to hold any qualification shares.

### **Interest of Directors**

All Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them. For details of remuneration paid to our see "Terms of Appointment and Compensation of our Directors" above.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as 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 this Issue.

Except as stated in the chapter titled “*Related Party Transactions*” on page 116 of this Prospectus, our Directors do not have any other interest in the business of our Company.

### **Bonus or Profit Sharing Plan for our Directors**

None of our Directors are a party to any bonus or profit sharing plan.

### **Committees of our Board**

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

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholders’ Relationship Committee;

Details of each of these committees are as follows:

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

Our Audit Committee was constituted pursuant to resolution of our Board dated February 15, 2016. The Audit Committee comprises of the following:

S. N.	Name of the Director	Status	Nature of Directorship
1.	Mr. Vishal R. Shah	Chairman	Non-Executive & Independent Director
2.	Mr. Bhushan Saluja	Member	Non-Executive & Independent Director
3.	Mr. Indrajeet A. Mitra	Member	Non-Executive & Non Independent Director

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

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C.

The role of the audit committee shall include the following:

- (1) Oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
  - (9) Scrutiny of inter-corporate loans and investments;
  - (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - (11) Evaluation of internal financial controls and risk management systems;
  - (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure verage and frequency of internal audit;
  - (14) Discussion with internal auditors of any significant findings and follow up there on;
  - (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (18) To review the functioning of the whistle blower mechanism;
  - (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and

(5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(6) statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

#### **b. Nomination and Remuneration Committee**

The Nomination and Remuneration committee was constituted by a resolution of our Board dated February 15, 2016. The constitution of the Nomination and Remuneration committee is as follows:

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Vishal R. Shah	Chairman	Non-Executive & Independent Director
2.	Mr. Bhushan Saluja	Member	Non-Executive & Independent Director
3.	Ms. Rachana N. Gemawat	Member	Non-Executive Director & Non Independent Director

The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of Nomination and Remuneration Committee shall include the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (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.

#### **c. Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated February 15, 2016. The constitution of the Stakeholders' Relationship committee is as follows:

S. N.	Name of the Director	Status	Nature of Directorship
1.	Mr. Indrajeet A. Mitra	Chairman	Non-Executive Director
2.	Ms. Rachana N. Gemawat	Member	Non-Executive Director
3.	Mr. Vishal R. Shah	Member	Non-Executive & Independent Director

The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

This Committee is responsible for the redressal the grievances of the security holders including complaints relate to transfer of shares, non-receipt of annual report and non-receipt of dividend. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act read with Regulation 20 of the Listing Regulations.

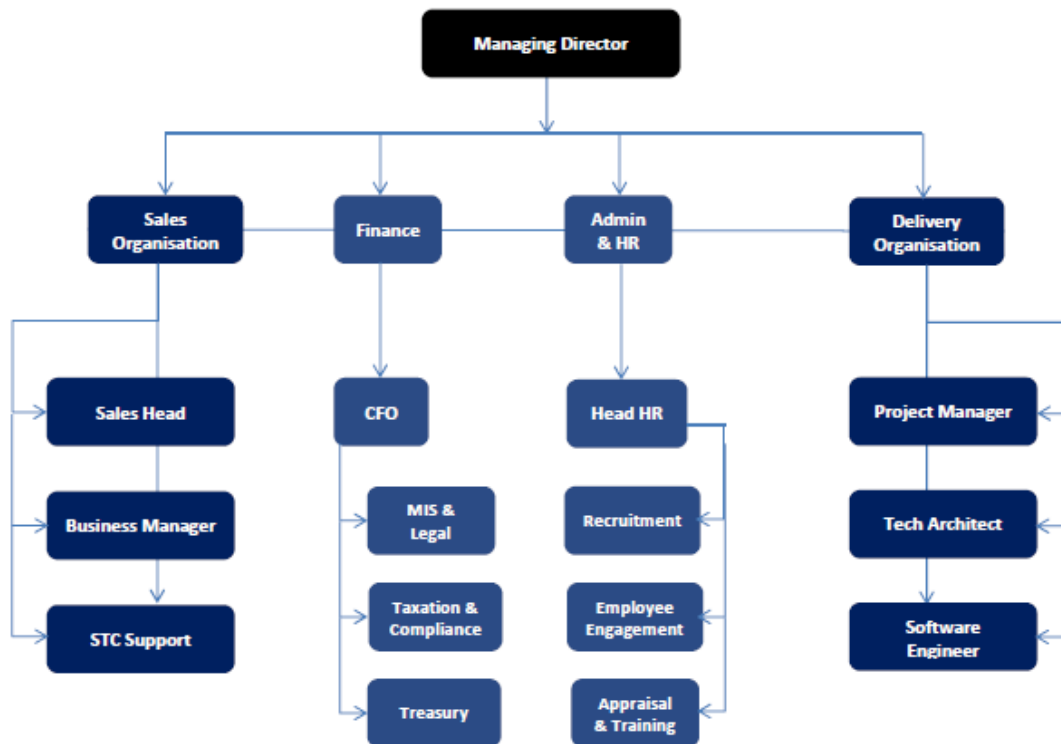
### Changes in our Board of Directors during the last three (3) years

The changes in the Directors during last three (3) years are set forth below:

Name	Date of appointment	Date of cessation	Reason
Niraj C. Gemawat	04-08-2015	-	Appointment as Director
Indrajeet A. Mitra	04-08-2015	-	Appointment as Director
Chhaganraj B. Gemawat	04-08-2015	-	Appointment as Director
Vipin Moharir	15-02-2016	-	Appointment as additional Non-executive Director
Rachana N. Gemawat	15-02-2016	-	Appointment as additional Non-executive Director
Vishal R. Shah	15-02-2016	-	Appointment as additional Independent Director
Parminder Singh S. Chhabda	15-02-2016	-	Appointment as additional Independent Director
Hursh P. Jani	15-02-2016	-	Appointment as additional Independent Director
Bhushan Saluja	15-02-2016	-	Appointment as additional Independent Director
Niraj C. Gemawat	01-02-2016		Appointment as Managing Director
Chhaganraj B. Gemawat	-	27-02-2016	Resignation as Director



## Organisation Structure



## Our Key Managerial Personnel

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of administration / finance / distribution / marketing and corporate laws.

The following key personnel assist the management of our Company:-

### Brief Profile of Key Managerial Personnel:

**Mr. Niraj C. Gemawat** aged 42 years, is the Managing Director and Promoter of our Company. He has completed his Bachelors in Engineering (B.E.), Ahmedabad and Post-Graduation in Business Administration (MBA), from Pune. He has joined our Company on August 04, 2015. He Looks after Business Development and management of the Company. People management, financial planning and process orientation at operational level have been his forte. He spells out the vision and the strategic direction of our Company and oversees our Company's expansion. In addition to driving revenue and profitability, a key part of his focus is to ensure that the appropriate structure is in place to deliver continued high levels of client satisfaction for growth in the Company. He is drawing a salary of Rs. 50,000 per month.

**Mr. Bharat B. Thaker** aged 42 years, is the Chief Financial Officer of our Company. He has completed his Bachelor of Commerce from the University of Gujarat. He has joined our Company as a Chief Financial Officer on January 09, 2016. His responsibilities in our Company include overseeing the corporate finance, accounts, statutory and internal audit, financial projections of our Company. He looks after the day today accounting system, tax and other liasioning work with various government authorities. He is drawing a salary of Rs. 1,10,000/- per month.

**Mr. Mukesh Jiwnani** aged 29 years is Company Secretary & Compliance Officer of our Company. He is a Commerce graduate and has completed his Master's in Business Administration from Pacific Institute of Management Udaipur (Raj), India with dual specialization in Finance and Marketing. He is an associate member of Institute of Companies Secretaries of India and has also completed his Bachelors in Law from Mohan Lal Sukhadia University, Udaipur(Rajasthan). He has joined our Company on February 11, 2016. His scope of work and responsibilities includes vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act and other regulations. He is drawing a salary of Rs. 46,000/- per month.

### Family Relationship between Key Managerial Personnel

As on date, none of the key managerial personnel is having family relation with each other.

### Arrangements and Understanding with Major Shareholders

None of our key managerial personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

### Shareholding of the Key Managerial Personnel

As on date, none of the key managerial persons are holding Equity Shares of our Company except as set forth below:

Name of Key Managerial Personnel	No of Equity Shares held
Mr. Niraj C. Gemawat	12,50,000

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

There is no profit sharing plan for the key managerial personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

### Loans to Key Managerial Personnel

There is no loan outstanding against key managerial personnel as on date of this Prospectus.

### Interest of Key Managerial Personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

#### **Changes in Key Managerial Personnel of our Company during the Last Three (3) Years**

Except mentioned below, there are no changes in the key managerial personnel of our Company

<b>Name</b>	<b>Date of appointment</b>	<b>Date of cessation</b>	<b>Reason</b>
Mr. Niraj C. Gemawat	01-02-2016	-	Appointment as Managing Director
Mr. Bharat B. Thaker	09-01-2016	-	Appointment as Chief Financial officer
Mr. Mukesh Jiwnani	11-02-2016	-	Appointment as Company secretary and Compliance Officer

#### **Employees Stock Option Scheme**

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Prospectus.

#### **Payment or Benefit to our Officers**

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

#### **Employees**

The details about our employees appear under the Paragraph titled “Human Resource” beginning on page 76 of this Prospectus.

## Our Promoters and Promoter Group


### Promoters

The Promoters of our Company are:

1. Mr. Niraj C. Gemawat
2. Mr. Indrajeet A. Mitra

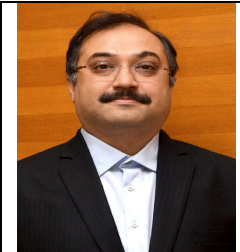
### Individual Promoters

#### 1. Mr. Niraj C. Gemawat

	<p><b>Mr. Niraj C. Gemawat</b> aged 42 years, is the Managing Director and Promoter of our Company. He has completed his Bachelors in Engineering (B.E.), Ahmedabad and Post-Graduation in Business Administration (MBA), from Pune. He has joined our Company on August 04, 2015. He Looks after Business Development and management of the Company. People management, financial planning and process orientation at operational level have been his forte. He spells out the vision and the strategic direction of our Company and oversees our Company's expansion. In addition to driving revenue and profitability, a key part of his focus is to ensure that the appropriate structure is in place to deliver continued high levels of client satisfaction for growth in the Company. For further information please refer under head titled "Our Management" on page 91.</p>
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<b>Address</b>	55, Tapovan Society, S.M. Road, Ahmedabad, 380015, Gujarat, India
<b>Occupation</b>	Business
<b>Permanent Account Number</b>	ACZPG9101H
<b>Passport Number</b>	Z1738827
<b>Name of Bank &amp; Bank Account Details</b>	State Bank of India, Ahmedabad Account No.- 10033647138
<b>Driving License Number</b>	GJ01-2010-1632599
<b>Other Directorship &amp; Interest</b>	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. Gateway Education And Training Private Limited</li> <li>2. Gateway Nintec Private Limited</li> <li>3. Gateway Technolabs Private Limited</li> <li>4. Aarvee Technolabs Private Limited</li> <li>5. Vin IT Solutions LLP</li> <li>6. Gateway Animedia Works LLP</li> <li>7. Nintec Business Consulting LLP</li> </ol> <p><b>Foreign Companies:</b></p> <ol style="list-style-type: none"> <li>1. Aarvee Holding B.V.</li> <li>2. Gateway Technolabs UK Ltd.</li> <li>3. Gateway Technolabs Iceland EHF</li> </ol> <p><b>Other Ventures:-</b></p> <ol style="list-style-type: none"> <li>1. Niraj C. Gemawat HUF</li> <li>2. C.B. Gemawat Charitable Trust</li> <li>3. Gateway Information Systems</li> <li>4. Gateway Global Sourcing Solutions</li> <li>5. Aarvee Farm Products</li> <li>6. N.I. Systems</li> </ol>

## 2. Mr. Indrajeet A. Mitra

	<p><b>Mr. Indrajeet A. Mitra</b> aged 43 years, is the Non-Executive Director and Promoter of our Company. He has completed his Bachelor of Science (BSc.), from Ahmedabad and Master of Computer Applications (MCA), from Ahmedabad. He has joined our Company on August 04, 2015. He looks after the technology transformation, quality and overall project management, deciding the Best Software Development practices to be followed by the Company and client interactions on technology part.</p>
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<b>Address</b>	95 Basant Bahar-1, Bungalows, Bopal Road, Near Gala Gymkhana Club, Bopal, Ahmedabad, 380054, Gujarat, India
<b>Occupation</b>	Business
<b>Permanent Account Number</b>	AEXPM1239A
<b>Passport Number</b>	Z1736857
<b>Name of Bank &amp; Bank Account Details</b>	Axis Bank, Ahmedabad
<b>Driving License Number</b>	GJ0120000118678
<b>Other Directorship &amp; Interests</b>	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. Gateway Gourmet Private Limited</li> <li>2. Gateway Nintec Private Limited</li> <li>3. Gateway Technolabs Private Limited</li> <li>4. VIN IT solutions LLP</li> <li>5. Gateway Animedia Works LLP</li> </ol> <p><b>Foreign Companies:</b></p> <ol style="list-style-type: none"> <li>1. Gateway Technolabs Canada Limited</li> <li>2. I.M. Holdings B.V.</li> <li>3. Gateway Technolabs UK Limited</li> </ol> <p><b>Other Ventures:-</b></p> <ol style="list-style-type: none"> <li>1. Gateway Global Sourcing Solutions</li> <li>2. Gateway Information Systems</li> <li>3. N.I. Systems</li> <li>4. Indrajeet Anath Mitra HUF</li> </ol>

### Other Undertakings and Confirmations

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of the Promoters will be submitted to the SME platform of BSE Exchange, where the securities of our Company are proposed to be listed at the time of submission of this Prospectus.

### Common Pursuits of our Promoters

Except as mentioned below, our Promoters have not promoted any Promoter Group / Group Companies which are engaged in the line of business similar to our Company as on the date of this Prospectus. For details of our Promoter Group and Group Entities refer to Section titled “Our Promoter and Promoter Group” and “Group Companies/Entities” on page 103 and 109 respectively of this Prospectus. We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

1. Gateway Animedia Works LLP
2. Gateway Global Sourcing Solutions
3. Gateway Technolabs Private Limited

4. Nintec Business Consulting LLP
5. Vin IT solutions LLP

### **Interest of the Promoters**

Our promoters are interested in our Company to the extent that they have promoted the Company, to the extent of their shareholding, for which they are entitled to receive the dividend declared, and other distribution in respect of Equity Shares if any, by our Company. For details on shareholding of our Promoter in our Company, see sections “Capital Structure” and “Our Management” on pages 44 and 91, respectively.

Further, our Promoters who are also our Directors may be deemed to be interested to the extent of fees, remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, terms of the Articles and their terms of appointment.

Except as stated herein and as stated in “Related Party Transactions” appearing under section titled “Financial Information” on page 118 of this Prospectus, we have not entered into any contract, agreements or arrangements in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

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

Our Promoters have not interested in any property acquired or proposed to be acquired by our Company since incorporation, or in any transaction by our Company.

### **Payment amounts or benefit to our Promoters during the last two years**

No payment has been made or benefit given to our Promoters in the two years preceding the date of this Prospectus except as mentioned / referred to in this chapter and under head ‘Our Management’, ‘Financial Information’ and ‘Capital Structure’ on page 91, 118 and 44 respectively of this Prospectus. Further as on the date of this Prospectus, there is no bonus or profit sharing plan for our Promoters.

### **Confirmations**

For details of legal and regulatory proceedings involving our Promoter, please refer to the section titled “Outstanding Litigation and Material Developments” on page 140. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

### **Other ventures of our Promoters**

Save and except as disclosed in the section titled “Our Promoters and Promoter Group” and “Group Companies / Entities” beginning on page 103 & 109 respectively of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

### **Litigation details pertaining to our Promoters**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 140 of this Prospectus.

### **Shareholding of the Promoters and Promoter Group in our Company**

Except as disclosed in “Capital Structure”, none of the members of our Promoter Group hold any Equity Shares as on the date of filing of this Prospectus.

### **Related Party Transactions**

For the transactions with our Promoter Group entities, please refer to section titled “Related Party Transactions” on page 116 of this Prospectus.

Except as stated in “Related Party Transactions” beginning on page 116 of this Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

**Companies with which the Promoters are disassociated in the last three years are set forth below:**

Name of Promoter	Name of Entity(s)	Nature of Change	Date of Disassociation	Reasons thereof
Niraj C. Gemawat	Sadhana Educational & People Development Services Private Limited	Resignation from Directorship	30/08/2013	Due to pre-occupation
	Gateway Gourmet Private Limited	Resignation from Directorship	01/08/2013	Due to pre-occupation

## Promoter Group

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group:

### Individuals forming part of Promoter Group

In terms of SEBI (ICDR) Regulations, the following immediate relatives, due to their relationship with our Promoters are part of our Promoter Group in terms of Regulation 2(1) (zb) (ii) of SEBI (ICDR) Regulations

Promoter	Niraj C. Gemawat	Indrajeet A. Mitra
Father	Chhaganraj Gemawat	Late Anath Mitra
Mother	Sumanlata C. Gemawat	Krishna Mitra
Spouse	Rachana N. Gemawat	Ketki I. Mitra
Brother(s)	-	Surjit Mitra
Sister(s)	Pinkoo Atawar	-
Son	Vihan Gemawat	Aahan Mitra Arijit Mitra
Daughter(s)	Rajvi Gemawat	Aaneeka Mitra
Spouse Father	Lalchand Gadiya	Kanwal saluja
Spouse Mother	Mangala Gadiya	Deepika saluja
Spouse Brother(s)	Rahul Gadiya	-
Spouse Sister(s)	-	-

### Entities forming part of the Promoter Group

The following entities form part of our Promoter Group pursuant to the terms of Regulation 2(1) (zb) (iv) of SEBI (ICDR) Regulations.

Sl. No.	Name
1	Gateway Technolabs Private Limited
2	Aarvee Technolabs Private Limited
3	Gateway Nintec Private Limited
4	Gateway Gourmet Private Limited
5	Gateway Education and Training Private Limited
6	Aarvee Holdings B.V.
7	I.M. Holdings B.V.
8	Yemo Connect & Interact B.V.
9	Vin Technology B.V.
10	Gateway Animedia Works LLP
11	VIN IT Solutions LLP
12	Nintec Business Consulting LLP
13	Gateway Information Systems
14	Gateway Global Sourcing Solutions
15	Aarvee Farm Products
16	N.I. Systems



**Hindu Undivided Families forming part of the Promoter Group**

- Niraj Gemawat HUF
- Indrajeet Anath Mitra HUF
- Chhaganraj Gemawat HUF

**Trusts forming part of the Promoter Group**

- CB Gemawat Trust

## Group Companies / Entities

Unless otherwise specified, all information in this section is as of the date of this Prospectus.

As per the requirements of SEBI ICDR Regulations, for the purpose of identification of 'group companies', our Company considered Companies as covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India) and such other entities as considered material by our Board. Pursuant to the policy approved in the meeting of the Board of Director of the Company held on February 15, 2016, our Board formulated a policy with respect to Companies which it considered material to be identified as Group Companies/ Entities.

The Companies, LLP and other ventures which form part of our Group Entities , are as follows:

S. N.	Name of Group Entities
<b>Companies</b>	
1.	Yemo Connect & Interact B.V.
2.	VIN IT Solution LLP
3.	TecThink B.V.
4.	Aarvee Holdings B.V.
5.	IM Holdings B.V.
6.	Gateway Education & Training Private Limited
<b>HUF's</b>	
7.	Niraj C. Gemawat HUF
8.	Indrajeet Anath Mitra HUF
<b>Trusts</b>	
9.	CB Gemawat Trust

### Listed Companies within our Group Companies

There is no listed Company in our Group Companies.

### Top five Group Companies (based on turnover including other income):-

#### 1. YEMO CONNECT & INTERACT B.V. (YCIB)

<b>Incorporation</b>	01/03/2004
<b>KvK-nummer</b>	30196967
<b>RSIN</b>	813478340
<b>Registered Office</b>	Willem Dreeslaan 434, 2729NK Zoetermeer
<b>Nature of Activity</b>	The activity primarily consist of operating on the software product development market.
<b>Director</b>	TecThink B.V.

Set forth below, is the shareholding pattern of YCIB:-

Sr. No.	Name	No of shares	Percentage(%) held
1	Aarvee Holdings B.V.	15,956	38.33
2.	I.M. Holdings B.V.	12,596	30.26
3.	TecThink B.V.	5,039	12.11
4.	Zuiderdiep 304 B.V.	8,036	19.30
	<b>Total</b>	<b>41,627</b>	<b>100</b>

## Financial Performance

The financial results of YCIB for the last three financial years, preceding the date of this Prospectus are as follows:-

(Euro(€) in Lacs except per share data)

Particulars	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
Issued Share capital(F.V. €1/-)	0.42	0.42	0.42
Reserves	1.84	1.62	1.27
Turnover	6.10	6.07	4.50
Net result after taxation	0.23	0.35	0.08
Earning per Share(in €)	0.54	0.84	0.20
Net Asset Value per Share(in €)	5.43	4.89	4.04

### Nature and extent of interest of our Promoters:

Mr. Niraj C. Gemawat holds €1800 shares, aggregating to 100% of the paid up share capital in Aarvee Holdings B.V. and Mr. Indrajeet A. Mitra holds €1800 shares, aggregating to 100% of the paid up share capital in I.M. Holdings B.V..

### Significant Notes by statutory auditors of YCIB

None

### Other confirmations

- YCIB has not made a loss in the immediately preceding year;
- There are no common pursuits among YCIB and our Company;
- No audit has been performed in accordance with the statutory size exemption under Article 396, Title 9, Book 2, of the Dutch Civil Code.

## 2. VIN ITSOLUTIONS LLP (“VIN LLP”)

Incorporation	28/09/2010
LLPIN	AAA-2391
PAN	AAIFV2893A
Registered Office	B-51, 5th Floor, Corporate House, Judges Bungalow Road, Bodakdev, Ahmedabad- 380054
Nature of Activity	To carry on business in software development, IT consulting, software trading, software consulting, network consulting, hardware trading, hosting online portal etc. in India or abroad.
Designated Partners	1. Niraj C. Gemawat 2. Indrajeet A. Mitra 3. Vijay V. Moharir 4. Pavak R.Shah

Set forth below, is the Profit Sharing Ratio of VIN LLP:-

S. N.	Name	% share
1.	Niraj C. Gemawat	47.14
2.	Indrajeet A. Mitra	37.14
3.	Vijay V. Moharir	14.87
4.	Pavak R.Shah	0.85
	<b>Total</b>	<b>100.00</b>

## Financial Performance

The audited financial results of VIN LLP for the last three financial years, preceding the date of this Prospectus are as follows:-

(Rs.in Lacs)

Particulars	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013
Partners' Capital	42.38	256.30	245.89
Sales/Turnover	345.48	900.17	687.99
Profit/(Loss) after Tax	36.07	226.41	170.89

### Nature and extent of interest of our Promoters:

Name	% Share
Niraj C. Gemawat	47.14
Indrajeet A. Mitra	37.14

Niraj C. Gemawat and Indrajeet A. Mitra are also the Designated Partner in VIN LLP.

### Significant Notes by statutory auditors of VIN LLP

None

### Other confirmations

- No application has been made to RoC for striking off the name of VIN LLP;
- VIN LLP has not made a loss in the immediately preceding year;
- There are common pursuits among VIN LLP and our Company;
- VIN LLP is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities;

### 3. TECTHINK B.V. (TTB)

Incorporation	21/09/2000
KvK-nummer	27192316
RSIN	809341451
Registered Office	Cyprus 52, 2721LL Zoetermeer
Nature of Activity	The activity primarily consists of operating on the management market and participation in other companies.
Director	1. Vipin Moharir 2. Payal Moharir

Set forth below, is the shareholding pattern of TTB:-

Sr. No.	Name	No of shares	Percentage(%) held
1.	Vipin Moharir	200	50
2.	Payal Moharir	200	50
	<b>Total</b>	<b>400</b>	<b>100</b>

## Financial Performance

The financial results of TTB for the last three financial years, preceding the date of this Prospectus are as follows:-

(Euro(€) in Lacs except per share data)

Particulars	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
Issued Share capital(F.V. €45.38/-)	0.18	0.18	0.18
Reserves	16.21	19.11	14.77
Turnover	3.36	2.42	3.24

Net result after taxation	3.71	4.34	5.11
Earning per Share(in €)	928.36	1084.91	1278.45
Net Asset Value per Share(in €)	4098.73	4822.03	3737.12

**Nature and extent of interest of our Promoters:**

NIL

**Significant Notes by statutory auditors of TTB**

None

**Other confirmations**

- TTB has not made a loss in the immediately preceding year;
- There are no common pursuits among TTB and our Company;
- No audit has been performed in accordance with the statutory size exemption under Article 396, Title 9, Book 2, of the Dutch Civil Code.

**4. AARVEE HOLDINGS B.V. (AHB)**

Incorporation	31/01/2011
KvK-nummer	52030903
RSIN	850270418
Registered Office	Cyprus 52, 2721LL Zoetermeer
Nature of Activity	The activities of AHB primarily consist of operating on the management market and participation in other companies.
Director	1. Niraj C. Gemawat 2. TecThink B.V.

Set forth below, is the shareholding pattern of AHB:-

Sr. No.	Name	No of shares	Percentage(%) held
1.	Niraj C. Gemawat	1800	100
	<b>Total</b>	<b>1800</b>	<b>100</b>

**Financial Performance**

The financial results of AHB for the last three financial years, preceding the date of this Prospectus are as follows:-

(Euro(€) in Lacs except per share data)

Particulars	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
Issued Share capital(F.V. €10/-)	0.18	0.18	0.18
Reserves	7.38	5.25	0.59
Turnover	2.15	4.68	(0.24)
Net result after taxation	2.13	4.65	(0.27)
Earning per Share(in €)	118.33	258.51	(15.26)
Net Asset Value per Share(in €)	419.80	301.47	42.97

**Nature and extent of interest of our Promoters:**

Niraj C. Gemawat is the director of AHB and holds €1800 shares, aggregating to 100% of the paid up share capital in AHB

**Significant Notes by statutory auditors of AHB**

None

#### **Other confirmations**

- AHB has not made a loss in the immediately preceding year;
- There are no common pursuits among AHB and our Company;
- No audit has been performed in accordance with the statutory size exemption under Article 396, Title 9, Book 2, of the Dutch Civil Code.

#### **5. I.M. HOLDINGS B.V. (IMB)**

<b>Incorporation</b>	31/01/2011
<b>KvK-nummer</b>	52031500
<b>RSIN</b>	850270662
<b>Registered Office</b>	Cyprus 52, 2721LL Zoetermeer
<b>Nature of Activity</b>	The activities primarily consist of operating on the management market and participation in other companies.
<b>Director</b>	1. Indrajeet A. Mitra 2. TecThink B.V.

Set forth below, is the shareholding pattern of IMB:-

S. N.	Name	No. of shares	Percentage(%) held
1.	Indrajeet A. Mitra	1800	100
	<b>Total</b>	<b>1800</b>	<b>100</b>

#### **Financial Performance**

The financial results of IMB for the last three financial years, preceding the date of this Prospectus are as follows:-

(Euro(€) in Lacs except per share data)

Particulars	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
<b>Issued Share capital(F.V. €10/-)</b>	0.18	0.18	0.18
<b>Reserves</b>	5.79	4.11	0.45
<b>Turnover</b>	1.70	3.70	(0.19)
<b>Net result after taxation</b>	1.68	3.67	(0.22)
<b>Earning per Share(in €)</b>	93.19	203.84	(12.23)
<b>Net Asset Value per Share(in €)</b>	331.76	238.57	34.73

#### **Nature and extent of interest of our Promoters:**

Indrajeet A. Mitra is the director of IMB and holds €1800 shares, aggregating to 100% of the paid up share capital in IMB.

#### **Significant Notes by statutory auditors of IMB**

None

#### **Other confirmations**

- IMB has not made a loss in the immediately preceding year;
- There are no common pursuits among IMB and our Company;
- No audit has been performed in accordance with the statutory size exemption under Article 396, Title 9, Book 2, of the Dutch Civil Code.

## Details of Group Companies with negative net worth

### 1. Gateway Education And Training Private Limited(GETPL)

Date of Incorporation	21/10/1997		
CIN	U80903GJ1997PTC033220		
Permanent Account No.	AABCG3031B		
Registered Office Address	A-2/1 Anoli Complex 28sunrise Park Bodakdev, Vastrapur, Ahmedabad- 380015		
Nature of Activity	GETPL is engaged into providing professional education services in the field of Net and other technology related courses in Ahmedabad.		
Board of Directors	1. Niraj C. Gemawat 2. Chhaganraj B. Gemawat 3. Rajan M. Parulkar 4. Parulkar J. Rajan		
Audited Financial Information	For The Year Ended (Rs. In Lacs, except per share data)		
	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013
Equity Capital	1.00	1.00	1.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)	(17.07)	(15.95)	(14.13)
Networth	(16.07)	(14.95)	(13.13)
Sales/Turnover	8.31	9.84	9.54
Profit/ (Loss) after tax	0.90	(1.82)	(4.25)
Earnings per share (face value of Rs.10.00 each)	8.98	(18.22)	(42.48)
Net asset value per share (Rs.)	(160.70)	(149.54)	(131.32)

*Shareholding Pattern as on the date of this Prospectus is as follows:*

S. No.	Name of the Equity Shareholder	No. of Equity Shares held	% of Shareholding
1.	Niraj C. Gemawat	7,498	74.98
2.	Jyoti R. Parulkar	1	0.01
3.	Chhaganraj B. Gemawat	2,500	25
4.	Rajan M. Parulkar	1	0.01
<b>TOTAL</b>		<b>10,000</b>	<b>100.00</b>

*Nature and extent of interest of our Promoters:*

S. N.	Name	Number of Shares held	% age of Shareholding
1.	Niraj C. Gemawat	7,498	74.98

*Further Mr. Niraj C. Gemawat is the Director in GETPL.*

### Other confirmations

- GETPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up;
- No application has been made to RoC for striking off the name of GETPL Limited;

- GETPL has not made a loss in the immediately preceding year;
- There are no common pursuits among GETPL and our Company;

### **Undertaking / Confirmations**

Our Promoters and Group Companies have further confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them except as stated under chapters “Risk Factors”, “Our Promoter and Promoter Group”, “Group Companies / Entities” and “Outstanding Litigations and Material Developments” on pages 12, 103, 109 and 140 of this Prospectus, respectively. Additionally, none of our Promoters and Group Companies have been restrained from accessing the capital market for any reasons by the SEBI or any other authorities except as stated under chapters “Risk Factors”, “Our Promoter and Promoter Group”, “Group Companies / Entities” and “Outstanding Litigations and Material Developments” on pages 12, 103, 109 and 140 of this Prospectus, respectively.

### **Common Pursuits**

Except as set forth below, none of our Promoter Group Companies are involved in the activity similar to those conducted by our Company. We shall adopt necessary procedures and practices as permitted by law to address any conflict situation, as and when they may arise.

1. Gateway Technolabs Private Limited
2. Gateway Global Sourcing Solutions
3. VIN IT Solutions LLP
4. Nintec Business Consulting LLP
5. Gateway Animedia Works LLP

### **Litigation/ Defaults**

For details relating to legal proceedings involving the Promoters and Members of the Promoter Group, see the section titled “Outstanding Litigation and Material Developments” beginning on page 140 of this Prospectus.

### **Related Business Transaction within the Group and Significance on Financial Performance**

There is no business transactions between our Company and the Promoter Group Companies except as stated on page 116 under section titled as “Related Party Transactions”.

### **Sale or Purchase between our company and our Promoter Group Companies**

There are no sales or purchases between our Company and any Company in the Promoter Group Companies / Entities except as stated on page 116 under the titled “Related party transactions” exceeding 10% of the sales or purchases of our Company.

### **Sick Companies**

There are no Companies in our Promoter group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. Further, no application has been made by any of them to RoC to strike off their name.

### **Defunct Group Companies and Entities**

None of our Promoter Group Companies and Entities has remained defunct and no application has been made to the Registrar of Companies for striking off their name from the register of companies, during the five years preceding the date of filing of this Prospectus.



### **Related Party Transactions**

For details on Related Party Transactions of our Company, please refer to Annexure XIX of the restated financial statement under the section titled, Financial Information beginning on page 118 of this Prospectus.

### **Dividend Policy**

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

There are no dividends declared by our Company since incorporation.

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

## Section V - Financial Information

### Financial Statement as Restated

#### Independent Auditor's Report on Restated Financial Statements

The Board of Directors  
**NINtec Systems Limited**  
 B-11, Corporate House  
 SG Highway Bodakdev,  
 Ahmedabad – 380 054  
 Gujarat

Dear Sirs,

1. We have examined the attached Restated Summary Statement of Assets and Liabilities of **NINtec Systems Limited**, (hereinafter referred to as “**the Company**”) as at February 15, 2016, Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flow for the period ended on February 15, 2016, (herein referred to as the “**Restated Summary Statements**” or “**Restated Financial Statements**”) annexed to this report and initialled by us for identification purposes. These Restated Financial Statements have been prepared by the management of the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) in SME Platform of BSE Limited (“**BSE**”).
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
3. We have examined such Restated Financial Statements taking into consideration:
  - (i) The terms of reference to our engagements with the Company letter dated February 1, 2016 requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited (“**IPO**” or “**SME IPO**”); and
  - (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
4. The Restated Financial Statements of the Company have been extracted by the management from the special purpose Interim Audited Financial Statements of the Company for the period ended on February 15, 2016, which have been approved by the Board of Directors.
5. In accordance with the requirements of the Act, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The “**Restated Statement of Asset and Liabilities**” of the Company as at February 15, 2016, examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to the Restated Summary Statements to this Report.
  - (ii) The “**Restated Statement of Profit and Loss**” of the Company for the period ended on February 15, 2016, examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to the Restated Summary Statements to this Report.

- (iii) The “**Restated Statement of Cash Flow**” of the Company for the period ended on February 15, 2016, examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to Restated Summary Statements to this Report.
6. Based on our examination, we are of the opinion that the Restated Financial Statements have been prepared:
  - a) Using consistent accounting policies for the reporting period.
  - b) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - c) There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the period ended on February 15, 2016, which would require adjustments in this Restated Financial Statements of the Company.
7. Audit for the period ended on February 15, 2016, was conducted by Samir M. Shah & Associates, Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said period. Financial statements for the period ended on February 15, 2016 have been reaudited by us as per the relevant guidelines.
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended on February 15, 2016, proposed to be included in the Draft Prospectus / Prospectus (“**Offer Document**”).

**Annexure of Restated Financial Statements of the Company:-**

1. Summary Statement of Assets and Liabilities, as Restated as appearing in ANNEXURE I;
2. Summary Statement of Profit and Loss, as Restated as appearing in ANNEXURE II;
3. Summary Statement of Cash Flow as Restated as appearing in ANNEXURE III;
4. Significant Accounting Policies as Restated as appearing in ANNEXURE IV;
5. Details of Share Capital as Restated as appearing in ANNEXURE V to this report;
6. Details of Reserves and Surplus as Restated as appearing in ANNEXURE VI to this report;
7. Details of Deferred Tax Asset/Liability as Restated as per ANNEXURE VII to this report;
8. Details of Long Term Provisions as Restated as appearing in ANNEXURE VIII to this report;
9. Details of Other Current Liabilities as Restated as appearing in ANNEXURE IX to this report;
10. Details of Short Term Provisions as Restated as appearing in ANNEXURE X to this report;
11. Details of Fixed Assets as Restated as appearing in ANNEXURE XI to this report;
12. Details of Current Investments as Restated as appearing in ANNEXURE XII to this report;
13. Details of Trade Receivables as Restated as appearing in ANNEXURE XIII to this report;
14. Details of Cash & Cash Equivalents as Restated as appearing in ANNEXURE XIV to this report;
15. Details of Short Term Loans and Advances as Restated as appearing in ANNEXURE XV to this report;
16. Details of Other Current Assets as Restated as appearing in ANNEXURE XVI to this report;
17. Details of Revenue from Operations as Restated as appearing in ANNEXURE XVII to this report;
18. Details of Other Income as Restated as appearing in ANNEXURE XVIII to this report;
19. Details of Related Party Transactions as Restated as appearing in ANNEXURE XIX to this report;
20. Details of Accounting Ratios as Restated as appearing in ANNEXURE XX to this report;
21. Capitalisation Statement as at 15<sup>th</sup> February, 2016 as Restated as appearing in ANNEXURE XXI to this report;
22. Statement of Tax Shelters as Restated as appearing in ANNEXURE XXII to this report;

9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. In our opinion, the above financial information contained in Annexure I to XXII of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
12. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For R T Jain & Co.**  
**Chartered Accountants**  
**Firm Registration no.103961W**

**Sd/-**  
**(CA Bankim Jain)**  
**Partner**  
**Membership No.139447**

**Mumbai, February 26, 2016**

Statement of Assets and Liabilities, as Restated

ANNEXURE-I

(Rs. in Lacs)

Sr. No.	Particulars	As at February 15, 2016
	<b>EQUITY AND LIABILITIES</b>	
1)	<b><u>Shareholders Funds</u></b>	
	a. Share Capital	500.00
	b. Reserves & Surplus	17.92
2)	Share Application Money Pending Allotment	-
3)	<b><u>Non Current Liabilities</u></b>	
	a. Long Term Borrowings	-
	b. Deferred Tax Liabilities	0.44
	c. Other Long Term Liabilities	-
	d. Long Term Provisions	0.16
4)	<b><u>Current Liabilities</u></b>	
	a. Short Term Borrowings	-
	b. Trade Payables	-
	c. Other Current Liabilities	54.17
	d. Short Term Provisions	7.57
	<b>TOTAL</b>	<b>580.26</b>
	<b>ASSETS</b>	
5)	<b><u>Non Current Assets</u></b>	
	a. Fixed Assets	
	i. Tangible Assets	20.37
	Less: Accumulated Depreciation	0.12
	ii. Intangible Assets	-
	iii. Intangible Assets under development	-
	iv. Capital Work in Progress	-
	<i>Net Block</i>	20.25
	b. Deferred Tax Assets (Net)	-
	c. Non-current Investments	-
	d. Long Term Loans & Advances	-
	e. Other Non Current Assets	-
6)	<b><u>Current Assets</u></b>	
	a. Current Investment	450.00
	b. Inventories	-
	c. Trade Receivables	57.83
	d. Cash and Cash Equivalents	28.74
	e. Short Term Loans & Advances	4.19
	f. Other Current Assets	19.25
	<b>TOTAL</b>	<b>580.26</b>

Statement of Profit and Loss, as Restated

ANNEXURE-II

(Rs. in Lacs)

Sr. No.	Particulars	For the period ended February 15, 2016
<b>A</b>	<b>INCOME</b>	
	Revenue from Operations	79.86
	Other Income	0.48
	<b>Total Income (A)</b>	<b>80.34</b>
<b>B</b>	<b>EXPENDITURE</b>	-
	Cost of Material Consumed	-
	Purchase of Stock in Trade	-
	Changes in inventories of finished goods, traded goods and work-in-progress	-
	Employee benefit expenses	24.31
	Finance costs	0.01
	Depreciation and amortisation expense	0.12
	Other Expenses	29.98
	<b>Total Expenses (B)</b>	<b>54.42</b>
<b>C</b>	<b>Profit before extraordinary items and tax</b>	<b>25.92</b>
	Extraordinary items	-
<b>D</b>	<b>Profit before tax</b>	<b>25.92</b>
	<i>Tax expense :</i>	
	(i) Current tax	7.57
	(ii) Deferred tax	0.44
<b>E</b>	<b>Total Tax Expense</b>	<b>8.01</b>
<b>F</b>	<b>Profit for the year (D-E)</b>	<b>17.91</b>

Statement of Cash Flow, as Restated

ANNEXURE-III

(Rs. in Lacs)

Particulars	For the period ended February 15, 2016
<b><u>Cash flow from operating activities:</u></b>	
Net Profit before tax as per Profit And Loss A/c	25.93
Adjusted for:	-
Depreciation & Amortisation	0.12
<b>Operating Profit Before Working Capital Changes</b>	<b>26.05</b>
Adjusted for (Increase)/ Decrease:	
Trade Receivables	(57.83)
Short Term Loans & Advances	(4.19)
Other Current Assets	(19.25)
Trade Payables	-
Other Current & Long Term Liabilities	54.17
Short Term & Long Term Provisions	0.16
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>(0.89)</b>
Add:- Extra-Ordinary Items	-
<b>Cash Generated From Operations</b>	<b>(0.89)</b>
Direct Tax Paid	-
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(0.89)</b>
<b><u>Cash Flow From Investing Activities:</u></b>	
Purchase of Fixed Assets	(20.37)
Investments Made	(450.00)
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(470.37)</b>
<b><u>Cash Flow from Financing Activities:</u></b>	
Proceeds From Share Capital	500.00
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>500.00</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>28.74</b>
<b>Cash &amp; Cash Equivalents As At Beginning of the Year</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents As At End of the Year</b>	<b>28.74</b>



## ANNEXURE IV (A)

### SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

#### CORPORATE INFORMATION

NINTEC SYSTEMS LIMITED is incorporated in the year 2015. The Company is engaged in offshore software development services and solutions

##### **A. Basis of preparation of Financial Statements:**

The restated summary statement of assets and liabilities of the Company as at February 15, 2016 and the related restated summary statement of profit and loss and cash flow for the period ended February 15, 2016 (herein referred to as 'Restated Summary Statements') have been compiled by the management from the audited financial statements of the Company for the period ended on February 15, 2016, approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of BSE in connection with its proposed Initial public offering of equity shares.

##### **B. Use of Estimates:**

The preparation of financial statements requires management to make estimates and assumptions that affect amounts in the financial statements and reported notes thereto. Actual results could differ from these estimates. Differences between the actual result and estimates are recognized in periods in which the results are known/materialized.

##### **C. Fixed Assets:**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

##### **D. Depreciation:**

Depreciation on fixed assets is calculated on written down value (WDV) basis using the rates arrived at based on the useful life of the assets prescribed under Schedule II of the Companies Act, 2013 for the period ended on February 15, 2016.

##### **E. Valuation of Investments:**

- i. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.
- ii. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Currently the company is not having any current investment.
- iii. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

##### **F. Revenue Recognition:**

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

### ***Revenue from Operations***

Revenue from sale of software is recognized as income when significant risk and rewards of ownership relating to the software are transferred to the buyer.

Revenue from fixed price contract is recognized as income on accrual basis in accordance with terms of relevant agreement.

## **G. Employee Benefits:**

### **i. Short Term Employee Benefits:**

All employee benefits payable within twelve months of rendering of services are classified as short term benefits. Benefits include salaries, wages, awards, ex-gratia, performance pay, etc. and are recognized in the period in which the employee renders the related service.

### **ii. Post Employment Benefit :**

#### **a. Defined Contribution Plan:**

Provident fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the profit & loss account in the year when the contributions to the fund are due.

#### **b. Defined Benefit Plan:**

Company's liability towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation at the date of the Balance Sheet.

## **H. Earning Per Share**

Basic earning per share is computed by dividing the net profit after tax for the period after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

## **I. Foreign Currency Transactions**

Foreign Currency Transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year end are adjusted at the yearend exchange rates. Any gain or loss arising on account of exchange difference either on settlement is recognized in the Statement of Profit and Loss.

## **J. Taxation & Deferred Tax**

Provision for Current Tax is made in accordance with the provision of Income Tax Act, 1961. Deferred tax is recognized on timing differences between taxable & accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent period(s).

## **K. Contingent Liabilities / Provisions**

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.

### ***Presentation and disclosure of financial statements***

The Company has prepared the financial statements for the period ended February 15, 2016 in accordance with Schedule III of the Companies Act, 2013 ("the Act").

## Reconciliation of Restated Profit:

### ANNEXURE – IV (B) (Rs.in Lakhs)

Adjustments for	For the period ended February 15, 2016
Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	13.27
<b>Adjustments for:</b>	
Change in Preliminary Expenses	3.02
Change in Foreign Exchange Gain	0.05
Change in Computer Consumable Expense	5.08
Change in Provision for Current Tax	-2.52
Change in Deferred Tax Asset/(Liability)	-0.98
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>17.92</b>

#### Change in Preliminary Expenses

The company had written off 1/5th of IPO expenses with a view of writing off the whole expenses over a period of five years. The expense has been capitalised and will be written off against reserves post listing.

#### Change in Foreign Exchange Gain

Forex gain on sundry debtors denominated in Euro at the period end was not recognised which has now been recognised.

#### Change in Computer Consumable Expenses

The company had fully written off software license fees for use of software for one year for the period ended. Since the benefit of expense is to be received even after our accounting period, proportionate expense has been treated as prepaid expense.

#### Change in Provision for Current Tax

The profit before tax has been changed due to restatement of the above item. Correspondingly the provision for tax has been restated.

#### Change in Deferred Tax Asset/(Liability)

The deferred tax asset was created instead of Deferred Tax Liability. The restatement was done to rectify the same.

#### Details of Share Capital as Restated

### ANNEXURE -V (Rs. in Laacs)

Particulars	As at February 15, 2016
<b>EQUITY SHARE CAPITAL :</b>	
<b>AUTHORISED SHARE CAPITAL</b>	
Equity Shares of Rs 10/- Each	750.00
<b>T O T A L</b>	<b>750.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	
Equity Shares of Rs 10/- Each	500.00
<b>T O T A L</b>	<b>500.00</b>

**Reconciliation of number of shares outstanding at the end of the year:**

Particulars	As at February 15, 2016
Equity shares at the beginning of the year	-
Add: Shares Issued during the year	5,000,000
Equity shares at the end of the year	5,000,000

**Details of Shareholders Holding More Than 5% Shares in the Company**

Particulars	As at February 15, 2016	
	No. of Shares Held	No. of Shares Held
Niraj C. Gemawat	1,250,000	25.00%
Rachana N. Gemawat	945,000	18.90%
Indrajeet A. Mitra	322,500	6.45%
M/s TecThink B.V.	1,750,000	35.00%
M/s VIN IT Solutions LLP	630,000	12.60%

**Details of Reserves and Surplus as Restated**
**ANNEXURE - VI**

(Rs. in Lacs)

Particulars	As at February 15, 2016
<b>PROFIT AND LOSS</b>	
As per last financial statements	-
Add/(Less): Net Profit after Tax for the year	17.92
<b>T O T A L</b>	<b>17.92</b>

**Details of Deferred Tax Asset/(Liability) as Restated**
**ANNEXURE - VII**

(Rs. in Lacs)

Particulars	As at February 15, 2016
Related to Fixed Assets	0.49
Less : Deferred tax Assets	
Expenses allowable for Tax Purposes on Payment Basis	0.05
Deferred Tax Liability (net) after adjustments	0.44
<b>Incremental Deferred Tax (asset) / charge for the year</b>	<b>0.44</b>

**Details of Long Term Provisions as Restated**
**ANNEXURE - VIII**

(Rs. in Lacs)

Particulars	As at February 15, 2016
Provision for Employee Benefits	0.16
<b>T O T A L</b>	<b>0.16</b>

## Details of Other Current Liabilities as Restated

### ANNEXURE – IX

(Rs. in Lacs)

Particulars	As at February 15, 2016
Statutory Dues Payable	0.69
Creditors for Expenses	31.73
Creditors for Capital Goods	21.75
<b>T O T A L</b>	<b>54.17</b>

## Details of Short Term Provisions as Restated

### ANNEXURE – X

(Rs. in Lacs)

Particulars	As at February 15, 2016
Provision for Taxation	7.57
<b>T O T A L</b>	<b>7.57</b>

## Details of Fixed Assets as Restated

### ANNEXURE – XI

(Rs. in Lacs)

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2015	ADDITI ONS	DEDUCTI ONS	AS AT 15.02.2016	UPTO 01.04.2015	FOR THE PERIOD 15.02.2016	DEDUCT IONS / ADJUST MENTS	UPTO 15.02.2016	AS AT 15.02.2016	AS AT 31.03 .2015
<b>TANGIBLE</b>										
Building & Office	-	5.02	-	5.02	-	0.01	-	0.01	5.01	-
Furniture & Fixtures	-	7.18	-	7.18	-	0.04	-	0.04	7.14	-
Computer Hardware	-	2.43	-	2.43	-	0.03	-	0.03	2.40	-
Office Equipme nt	-	3.25	-	3.25	-	0.02		0.02	3.23	-
Electric Installatio n	-	2.49	-	2.49	-	0.02		0.02	2.47	-
<b>Grand Total</b>	-	<b>20.37</b>	-	<b>20.37</b>	-	<b>0.12</b>	-	<b>0.12</b>	<b>20.25</b>	-
Previous Year Total	-		-	-	-		-	-	-	-

#### Details of Current Investments as Restated

#### ANNEXURE – XII (Rs. in Lacs)

Particulars	As at February 15, 2016
<b>Quoted at Cost</b>	
Investment in Mutual Funds	
-Franklin India Ultra Short Bond Fund	250.00
<b>Unquoted At Cost</b>	
-Investment in FD	200.00
<b>T O T A L</b>	<b>450.00</b>
Aggregate Cost of Quoted Investments	250.00
Aggregate Cost of Unquoted Investments	200.00
Aggregate Market Value of Quoted Investments	250.20

#### Details of Trade Receivables as Restated

#### ANNEXURE – XIII (Rs. in Lacs)

Particulars	As at February 15, 2016
Unsecured, Considered Good unless otherwise stated	
-Outstanding for more than six months	
From Directors/ Promoter/ Promoter Group/Relatives	
of Directors and Group Companies	-
From Others	-
-Other Debts	
From Directors/ Promoter/ Promoter Group/Relatives	-
of Directors and Group Companies	1.26
From Others	56.57
<b>T O T A L</b>	<b>57.83</b>

#### Details of Cash & Cash Equivalents as Restated

#### ANNEXURE – XIV (Rs. in Lacs)

Particulars	As at February 15, 2016
Cash In Hand	0.15
<i>Balance with Scheduled Bank</i>	
-Current Accounts	28.59
<b>T O T A L</b>	<b>28.74</b>

#### Details of Short Term Loans and Advances as Restated

ANNEXURE – XV  
(Rs. in Lacs)

Particulars	As at February 15, 2016
Sundry Deposits	1.65
Balance with Government Authorities	
-Central Excise Department	1.99
-Sales Tax Department	0.36
Income accrued but not due	-
Advances to Staff	0.04
Advances to Suppliers	0.15
<b>T O T A L</b>	<b>4.19</b>

#### Details of Other Current Assets as Restated

ANNEXURE – XVI  
(Rs. in Lacs)

Particulars	As at February 15, 2016
Prepaid Expenses	19.25
<b>T O T A L</b>	<b>19.25</b>

#### Details Of Revenue From Operations as Restated

ANNEXURE – XVII  
(Rs. in Lacs)

Particulars	For the period ended February 15, 2016
Sales of Manufactured Goods	-
Sales of Traded Goods	-
Sales of Services	79.86
Turnover in respect of products not normally dealt with	-
<b>TOTAL</b>	<b>79.86</b>

#### Details of Other Income as Restated

ANNEXURE – XVIII  
(Rs. in Lacs)

Particulars	For the period Ended February 15, 2016	Nature of Income
Other income	0.48	
Net Profit Before Tax as Restated	25.93	
<b>Percentage</b>	<b>1.85%</b>	
<b>Source of Income</b>		
Foreign Fluctuation Income	0.48	Recurring and Related to Business Activity
<b>Total Other Income</b>	<b>0.48</b>	

# Details of Related Party Transaction As Restated

## ANNEXURE – XIX (Rs. in Lacs)

Particulars	Nature of Relationship	Nature of Transaction	Amount of transaction during the period ended February 15, 2016	Amount outstanding as on February 15, 2016 (Payable)/ Receivable
M/s Yemo Connect & Interact BV	Associate Concern	Sale of Services	9.44	1.26
Bharat B. Thaker	Key Managerial Personnel	Salary	1.62	-0.55
Niraj C. Gemawat	Director	Salary	0.26	-0.26
		Loan Taken	46.24	-
		Loan Repaid	46.24	-
		Share Application Money	125.00	-
Indrajeet A. Mitra	Director	Share Application Money	32.00	-
Chhaganraj B. Gemawat	Relative of Director	Share Application Money	2.00	-
Rachana N. Gemawat	Relative of Director	Share Application Money	94.50	-
Sumanlata C. Gemawat	Relative of Director	Share Application Money	2.00	-
M/s TecThink B.V.	Associate Concern	Share Application Money	175.00	-
M/s VIN I T Solutions LLP	Associate Concern	Share Application Money	63.00	-
Mukesh Jiwnani	Key Managerial Personnel	Joining Bonus	0.36	-0.36
Ketki Mitra	Relative of Director	Share Application Money	2.00	-
Krishna Mitra	Relative of Director	Share Application Money	0.25	-



## Details of Accounting Ratios as Restated

**ANNEXURE – XX**  
(Rs. in Lacs except per share data)

Particulars	For the period ended February 15, 2016
Restated PAT as per Profit & Loss Account	17.91
Weighted Average Number of Equity Shares at the end of the Year/Period	176,276
Number of Equity Shares outstanding at the end of the Year/Period	5,000,000
<b>Net Worth</b>	517.92
<b>Earnings Per Share</b>	
Basic & Diluted	10.16
<b>Return on Net Worth (%)</b>	3.46%
<b>Net Asset Value Per Share (Rs)</b>	10.36
Nominal Value per Equity share (Rs.)	10.00

### 1. Ratios have been calculated as below

#### **Basic and Diluted Earnings Per Share (EPS) (Rs.): -**

$$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$$

#### **Return on Net Worth (%):-**

$$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$$

#### **Net Asset Value per equity share (Rs.): -**

$$\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year / period}}$$

### **2. The figures for the period ended February 15, 2016 are not annualised.**

# Capitalisation Statement as at February 15 , 2016

## ANNEXURE – XXI (Rs.in Lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	-	-
Long Term Debt (B)	-	-
<b>Total debts (C)</b>	-	-
<b>Shareholders' funds</b>		
Equity share capital	500.00	688.00
Reserve and surplus - as restated	17.92	17.92
<b>Total shareholders' funds</b>	<b>517.92</b>	<b>705.92</b>
<b>Long term debt / shareholders funds</b>	-	-
<b>Total debt / shareholders funds</b>	-	-

# Statement of Tax Shelters

## ANNEXURE – XXII (Rs.in Lakhs)

Particulars	For the Period ended February 15, 2016
<b>Profit before tax as per books (A)</b>	25.93
Tax Rate (%)	30.90%
Tax at notional rate on profits	8.01
<b>Adjustments :</b>	
<b>Permanent Differences (B)</b>	
Donation	-
Interest on Government Dues	-
<b>Total Permanent Differences (B)</b>	-
<b>Income considered separately (C)</b>	
Total Income considered separately (C)	-
<b>Timing Differences (D)</b>	
Difference between tax depreciation and book depreciation	(1.58)
Gratuity	0.16
<b>Total Timing Differences (D)</b>	(1.42)
<b>Net Adjustments E = (B+C+D)</b>	<b>(1.42)</b>
<b>Tax expense / (saving) thereon</b>	<b>(0.44)</b>
<b>Income from Other Sources</b>	-
<b>Income from Other Sources (F)</b>	-
<b>Taxable Income/(Loss) (A+E+F)</b>	<b>24.51</b>
<b>Taxable Income/(Loss) as per MAT</b>	<b>25.93</b>
<b>Income Tax as returned/computed</b>	<b>7.57</b>
Tax paid as per normal or MAT	Normal

### **Statement of Financial Indebtedness**

As on the date of this Prospectus, our Company has not availed loans from any bank or financial institution.

## Management Discussion & Analysis of Financial Condition And Result of Operations

*You should read the following discussion and analysis of our financial condition and results of operations together with our audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon for the period ended February 15, 2016 in the chapter titled "Financial Information" on page 118 of this Prospectus. The following discussion relates to our Company and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year.*

### Introduction

#### Information Technology Industry

India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The industry employs about 10 million workforces. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its unique selling proposition (USP) in the global sourcing market. 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.

The IT-BPM sector in India grew at a Compound Annual Growth rate (CAGR) of 15 per cent over 2010-15, which is 3-4 times higher than the global IT-BPM spend, and is estimated to expand at a CAGR of 9.5 per cent to US\$ 300 billion by 2020.

#### Business Overview

Our Company was originally incorporated as NINtec Systems Limited on August 04, 2015 with the Registrar of Companies, Gujarat as a public limited company under the provisions of the Companies Act 2013.

We are a provider of software development services and solutions. We specialize in providing offshore software product development, software migration, multimedia design & development, application development & maintenance, web designing, digitization of engineering drawings, and search engine optimization. Our customer base includes companies from diverse industry verticals like Automotive, Print Media & Publishing, Banking, Financial Services & Insurance (BFSI), Transportation and Logistics. Our primary objective is to bring the strategic differential advantage of offshore software outsourcing to the doorstep of our customers globally.

From the most demanding to the most distant customers, we help global leaders grow and transform their business and bring greater flexibility with faster time to market through technical excellence, all at lower costs, right at their doorsteps. Our team includes professionals with combination of knowledge and experience in IT Industry. The team members have experience in understanding the cross cultural needs of the clients which holds a very important part in offshore business. The availability and accessibility of our teams to offshore clients ensures full transparency, complete control and comfort of 24x7 accessibility of the team, which is much higher than the team our clients have on their own office floor.

Our Company is headquartered in Ahmedabad and is promoted by Mr. Niraj C. Gemawat and Mr. Indrajeet A. Mitra. Our promoters have years of rich experience in software development. Our primary focus is to deliver high quality and affordable services to the broader population by leveraging our economies of scale, skilled staff, and an efficient business model.

#### OUR SERVICES:

**The major services offered by our Company are set forth below:**

**Business Analytics:** Today, in order for a business to stay agile and ahead of its competition, data based insights are imperative. These insights help an organization to assess the impact of the past decisions and efforts, and manage the performance of its deliverables as well as to refine and streamline future processes and actions. Quick and efficient business analytics, therefore, go a long way in making informed business decisions. We use advanced analytics to extract

and interpret complex data which can then be reviewed and acted upon to find better ways of doing business through use of business analytics and engage with customers and stakeholders, and ultimately leading to make better business decisions based on analytical judgements. With our business analytics solutions, data driven insights are easy to obtain and harness.

**Cloud Services:** For an enterprise to be future-ready, a fast yet easy-to-adopt cloud solution is crucial. By integrating cloud into its existing business platforms, an organization can fast-track its growth, optimize and manage its IT resources, provide better connectivity to employees and customers, and ultimately become truly agile. With our end-to-end cloud services including cloud advisory, infrastructure, integration, management, and security, enterprise’s transition to a cloud empowered organization turns seamless and efficient.

**Application Engineering:** In today’s digital world, it is only logical for businesses to undergo a transition to a digital business. A mobile enterprise is an agile enterprise, and therefore, applications transformation is crucial. We recognize the need for this transformation and so offer our clients a full suite of Application Services including planning, designing, building, implementing and optimizing application development and maintenance. We strive to help organizations remain efficient and agile, and our application services are an effective and affordable means to this end.

**Testing Services:** The emphasis on reliability and resilience of products and applications has increased many-fold in the last few years. Organizations have to now pay better attention to user-experience, system availability and security, along with improving predictability where possible.

As a result, the focus on testing has also increased significantly, with businesses significantly increasing their QA budgets and laying stress on more effective testing of their products. Nintec’s QA professionals are highly experienced and follow best practices in the field. Our Testing Services include test automation, performance testing, functional testing, security testing and validation, usability and accessibility testing, regression testing, among others.

## FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS

Our results of operations could potentially be affected by the following factors amongst others:

- *Changes in government policies*
- *Material changes in the duty or tax structure*
- *Competition from existing and new entrants*
- *Ability to attract and retain qualified personnel*
- *Continued relationships with customers*
- *Our ability to successfully implement its strategy and its growth and expansion plans*
- *Increasing competition in the industry*
- *Capital requirements and availability of funding*

## Summary of the Results of Operation

The following table sets forth select financial data from restated profit and loss accounts for the period ended February 15, 2016 and the components of which are also expressed as a percentage of total income for such period.

Particulars	For the period ended February 15, 2016	% of Total Income
<b>INCOME</b>		
Revenue from Operations	79.86	99.40%
Other Income	0.48	0.60%
<b>Total Income (A)</b>	<b>80.34</b>	<b>100.00%</b>
<b>EXPENDITURE</b>		
Cost of Material Consumed	0.00	0.00%
Purchase of Stock in Trade	0.00	0.00%
Changes in inventories of finished goods, traded goods and work-in-progress	0.00	0.00%
Employee benefit expenses	24.31	30.26%
Finance costs	0.01	0.01%
Depreciation and amortisation expense	0.12	0.15%
Other Expenses	29.98	37.32%
<b>Total Expenses (B)</b>	<b>54.42</b>	<b>67.74%</b>
<b>Profit before extraordinary items and tax(C)</b>	<b>25.92</b>	<b>32.26%</b>
Extraordinary items	0.00	0.00%
<b>Profit before tax(D)</b>	<b>25.92</b>	<b>32.26%</b>
<i>Tax expense :</i>		
(i) Current tax	7.57	9.42%
(ii) Deferred tax	0.44	0.55%
<b>Total Tax Expense(E)</b>	<b>8.01</b>	<b>9.97%</b>
<b>Profit for the year (D-E)</b>	<b>17.91</b>	<b>22.29%</b>

## Analysis on Results of Operation

We have been incorporated on August 04, 2015 and financial for the period ended February 15, 2016 is our first year of operation hence comparative analysis is not available with previous financials.

### INFORMATION REQUIRED AS PER ITEM (2) (IX) (E) (5) OF PART A OF SCHEDULE VIII TO THE SEBI REGULATIONS:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

- ***Unusual or infrequent events or transactions***

There are no unusual or infrequent events or transactions that have significantly affected operations of the Company.

- ***Significant economic changes that materially affected or are likely to affect income from continuing operations***

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

- ***Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the Risks disclosed under the section titled "Risk Factors" no known trends or uncertainties are envisaged or are expected to have a material adverse impact on sales, revenue or income from continuing operations to Company's knowledge.

- ***Future changes in relationship between costs and revenues in case of events such as future increase in labor or material cost or prices that will cause material change.***

To our Knowledge, there are no known factors which might affect future relationship between cost and income other than as stated in this section and the sections titled "Risk Factors" on page 12 and "Our Business" on page 71.

- ***The extent to which material increases in net sales / revenue is due to increase in sales volume, introduction of new products or services or increased sales prices***

The increase in revenues is by and large linked to increases in volume of all the activities carried out by the Company.

- ***Total turnover of each major industry segment in which the Company operated***

The Company operates in single segment in context of accounting standards 17 on Segment Reporting issued by ICAI.

- ***Status of any publicly announced New Products or Business Segment***

The Company has not announced any new products or business segment.

- ***The extent to which our Company's business is seasonal***

Our business is not seasonal in nature.

- ***Competitive conditions***

We face competition from domestic and international companies. We foresee this competition to continue to grow as the demand for software development solutions increases. Apart from that, clients may reduce their dependency on vendors in India and outsource work to other offshore destinations such as China, Russia and Eastern European countries. Further we believe that our competition also depends on several factors which include currency fluctuations, changing business framework, information technology policies, difficult to retain skilled staff etc.

- ***Any significant dependence on a single or few suppliers or customers***

We are not under threat of dependence from any single supplier or customer.

- ***Details of material developments after the date of last balance sheet i.e. February 15, 2016***

No circumstances have arisen since the date of last financial statement until the date of filing this Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.



## Section VI: Legal and other Information

### Outstanding Litigations and Material Developments

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

***The Company has a policy for identification of Material' Outstanding Dues to Creditors in terms of the SEBI(ICDR) Regulations,2009 as amended for creditors where outstanding due to any one of them exceeds 5% of consolidated trade payables as per the last consolidated audited financial statements of the Issuer.***

***Further in terms of the SEBI (ICDR) Regulations,2009 as amended the Company has a policy for providing consolidated information for outstanding dues to small scale undertakings and micro, small and medium enterprise giving details of number of cases and amount involved.***

***The Company has a policy for identification of Material' Litigation in terms of the SEBI (ICDR) Regulations,2009 as amended for disclosure of all pending litigation involving the Issuer, its directors, promoters, group companies and subsidiaries, other than criminal proceedings, statutory or regulatory actions and taxation matters where the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess Rs. 20 million or 5% of the net profits after tax of the Company for the most recent audited fiscal period whichever is higher and such pending cases are material from the perspective of the Issuer's business, operations, prospects or reputation.***

#### I. LITIGATIONS INVOLVING OUR COMPANY

##### A. Litigations against our Company

1. **Civil Suit:** Nil
2. **Labours matters:** Nil
3. **Custom:** Nil
4. **Criminal:** Nil

##### B. Litigations by our Company

1. **Civil Suit:** Nil
2. **Labours matters:** Nil
3. **Custom:** Nil
4. **Criminal:** Nil

#### II. LITIGATION INVOLVING OUR PROMOTER GROUP COMPANIES

##### A. Litigations against our Promoter Group Companies

## Gateway Technolabs Pvt. Ltd. (GTPL)

### 1. Income Tax

- a. ITA No.2473 & 2519/Ahd/2006 cross appeals before THE INCOME TAX APPELLATE TRIBUNAL AHMEDABAD BENCH "C" AHMEDABAD – one by the GTPL and another by the Income-tax Department in respect of Assessment Year 2003-04 arose out of common order of Commissioner of Income-tax (Appeals)-VIII, Ahmedabad in appeal No. CIT(A)-VIII/ITO/4(1)/010/06-07 dated 14-09-2006., in regard to the claim of deduction of Rs. 38503/- u/s.10B of the Income Tax Act. The Ld. Tribunal held the claim of the GTPL and rejected the claim of the Department.
- b. I.T.A. Nos. 1112 & 3080/AHD./2007 appeals before THE INCOME TAX APPELLATE TRIBUNAL AHMEDABAD BENCH "C" AHMEDABAD – preferred by the Income-tax Department in respect of Assessment Year 2004-2005 & 2005-2006 arising out of order of Commissioner of Income-tax (Appeals)-VIII, Ahmedabad dated 20.12.2006 and 03.05.2007, in regard to allowing the claim of deduction of Rs. 96,41,778/- for Assessment Year 2004-2005 and Rs. 2,28,01,897 for Assessment Year 2005-2006 u/s.10B of the Income Tax Act. The Ld. Tribunal rejected the claim of the Department.
- c. I.T.A. No. 1950/AHD./2009 an appeal before THE INCOME TAX APPELLATE TRIBUNAL AHMEDABAD BENCH "C" AHMEDABAD – preferred by the Income-tax Department in respect of Assessment Year 2006-2007 arising out of order of Commissioner of Income-tax (Appeals)-VIII, Ahmedabad dated 25.02.2009, in regard to allowing the claim of deduction of Rs. 3,01,92,171/- u/s.10B of the Income Tax Act. The Ld. Tribunal rejected the claim of the Department.
- d. ITA No.1230/Ahd/2010 an appeal before THE INCOME TAX APPELLATE TRIBUNAL AHMEDABAD BENCH "C" AHMEDABAD – preferred by the Income-tax Department in respect of Assessment Year 2007-2008 arising out of order of Commissioner of Income-tax (Appeals)-VIII, Ahmedabad dated 13.01.2010, in regard to allowing the claim of deduction of Rs. 12,14,73,296/- u/s.10B of the Income Tax Act. The Ld. Tribunal rejected the claim of the Department. The Income Tax department has approached Gujarat High Court against the said orders in respect of A Y 2003-04 passed by The Income Tax Appellate Tribunal, Ahmedabad and filed Tax Appeal No. 1273 of 2010 the same is pending before The High Court. Any adverse order in the said Appeal may affect subsequent assessments as all subsequent orders made by the Ld. Tribunal were based on same principles.
- e. ITA No.711/Ahd-2014 an appeal before THE INCOME TAX APPELLATE TRIBUNAL AHMEDABAD BENCH "C" AHMEDABAD – preferred by the Income-tax Department in respect of Assessment Year 2008-2009 arising out of order of Commissioner of Income-tax (Appeals)-VIII, Ahmedabad dated 13.12.2013, in regard to allowing the claim of deduction of Rs. 11,97,44,182/- u/s.10B of the Income Tax Act. The matter is pending before The Ld. Tribunal and are on the similar ground that of the appeal in respect of A Y 2003-04 to 2007-08.
- f. ITA No.712/Ahd-2014 an appeal before THE INCOME TAX APPELLATE TRIBUNAL AHMEDABAD BENCH "C" AHMEDABAD – preferred by the Income-tax Department in respect of Assessment Year 2009-2010 arising out of order of Commissioner of Income-tax (Appeals)-VIII, Ahmedabad dated 13.12.2013, in regard to allowing the claim of deduction of Rs. 6,31,16,717/- u/s.10B of the Income Tax Act. The matter is pending before The Ld. Tribunal and are on the similar ground that of the appeal in respect of A Y 2003-04 to 2007-08.
- g. ITA No.2487/Ahd-2014 an appeal before THE INCOME TAX APPELLATE TRIBUNAL AHMEDABAD BENCH "C" AHMEDABAD – preferred by the Income-tax Department in respect of Assessment Year 2010-2011 arising out of order of Commissioner of Income-tax (Appeals)-VIII, Ahmedabad dated 19.06.2014, in regard to allowing the claim of deduction of Rs. 90,22,677/- u/s.10B of the Income Tax Act. The matter is pending before The Ld. Tribunal and are on the similar ground that of the appeal in respect of A Y 2003-04 to 2007-08.
- h. The Company has filed Appeal to CIT(A) for A.Y.2012-13 against order of the DCIT Circle 2(1)(1), Ahmedabad under section 143(3) of the Income Tax Act, 1961 regarding addition of Rs.2,11,46,480/- under section 92(c) of the Income Tax Act, 1961 and Rs. 1,98,429/- under section 36(1)(va) read with section 2(24) of the Income Tax Act, 1961.

## **B. LITIGATIONS BY OUR PROMOTER GROUP COMPANIES**

### **Gateway Technolabs Pvt Ltd (GTPL)**

#### **Civil**

GTPL has filed a Suit In the Court of 4<sup>th</sup> Senior Civil Judge Ahmedabad (Rural) at Mirzapur being Special Summary Suit No. 68 OF 2013 against one M/s Arjun Infoserv& E-Services (p) Ltd. and others under ORDER XXXVII OF The Civil Procedure Code 1908 praying for a decree of Rs. 31,08,571/- and the same is pending.

## **III. LITIGATIONS INVOLVING OUR PROMOTERS**

### **A. Litigations against our Promoters**

NIL

### **B. Litigations by our Promoters**

NIL

## **IV. LITIGATION INVOLVING OUR DIRECTORS (OTHER THAN PROMOTERS)**

### **A. Litigations against our Directors**

NIL

### **B. Litigations by our Directors (Other than Promoters)**

NIL

## **PENALTIES LEVIED UPON OUR COMPANY / PROMOTER / PROMOTER GROUP COMPANIES IN THE PAST FIVE YEARS**

NIL

### **Amounts due to small scale undertakings**

The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 29<sup>th</sup> February 2016 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is NIL. Further, there is no small scale undertaking or any other creditor to whom the Company owes a sum exceeding Rs. 1 lakh which is outstanding for more than thirty (30) days.

### **Adverse Events**

There has been no adverse event affecting the operations of our Company occurring within one year prior to the date of filing of this Prospectus with the Registrar of Companies.

## Government and Other Approvals

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for its business and no other material approvals are required by us for carrying on its present business activities. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake its current business activities and no further material approvals from any statutory authority are required to continue those activities.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for its business and no other material approvals are required by us for carrying on its present business activities. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake its current business activities and no further material approvals from any statutory authority are required to continue those activities.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

Sr. No	Particulars	Granting Authorities	Registration/Approval/Cod e No./ Artistic Work No.	Date of Issue/Applicat ion	Period of Validity specified if
1.	Certificate of Incorporation	Assistant Registrar of Companies – Gujarat	U72900GJ2015PLC084063	04.08.2015	Valid until cancelled
2.	Permanent Account Number	Income Tax Department, Government of India	AAFCN0137K	04.08.2015	Valid until cancelled
3.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	AHMN06598E	30.10.2015	Valid until cancelled
4.	Service Tax Code	Office of Commissioner Central Excise, Ahmedabad	AAFCN0137KSD001	11.01.2016	Valid until cancelled
5.	Gujarat Value Added Tax Taxpayer's Identification Number(TIN)	Gujarat Sales Tax Department	Applied for vide application no. 99E55716062	07.02.2016	-
6.	Gujarat Central Sales Tax Taxpayer's Identification Number(TIN)	Gujarat Sales Tax Department	Applied for vide application no. 99E55733410	07.02.2016	-
7.	Professional Tax Registration Certificate	Professional Tax Officer	PRC010674000631	20.01.2016	Valid until cancelled
8.	Professional Tax	Professional	PEC010674003120	20.01.2016	Valid until

Sr. No	Particulars	Granting Authorities	Registration/Approval/Code No./ Artistic Work No.	Date of Issue/Application	Period of Validity specified if
	Enrolment Certificate	Tax Officer			cancelled
9.	Shops and Establishment	Amdavad Municipal Corporation	PI/JUDG/2900004/0119917	21.01.2016	Valid until cancelled
10.	Certificate of Importer-Exporter Code (IEC)	Ministry of Commerce, Government of India (Asst. Director General of Foreign Trade)	0815019912	25.01.2016	Valid until cancellation

#### Approvals Relating To Intellectual Property

Our Company has also applied for registration of its trademarks which add significant value and are important to our business

## **Section VII- Other Regulatory and Statutory Disclosures**

### **Authority for the Issue**

Our Board of Directors have vide resolution dated January 09, 2016 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the EGM held on January 30, 2016 in accordance with the provisions of Section 62 (1)(c) of the Companies Act, 2013.

### **In-principle listing approval**

The Company has obtained approval from BSE pursuant to letter dated March 15, 2016 to use the name of BSE in this Offer Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

### **Prohibition by SEBI**

Our Company, our Promoters, our Promoter Group, our Directors have not been debarred from accessing or operating in the capital market by the Board (SEBI) or any other regulatory or governmental authority. The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

None of our Promoters, Promoter Group, Directors has ever been part of Promoters, Promoter Group, Directors of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI) or any other regulatory or governmental authority.

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

### **Prohibition by RBI**

Neither our Company, our Promoters, our Promoter Group, our Group Companies, relatives of our Promoters (as defined under the Companies Act), our Directors and Companies with which our Directors are associated as directors or promoters have not been declared as willful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past and no proceedings are pending against them.

### **Association with Securities Market**

We confirm that none of our Directors are associated with the securities market in any manner except for trading on day to day basis for the purpose of investment.

### **Eligibility for the Issue**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE).

We confirm that:

a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the Total Issue Size. For further details pertaining to said underwriting, please refer to “General Information – Underwriting” on page 41 of this Prospectus.

b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is 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 our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.

c) In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document/Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

*For further details of the arrangement of market making please refer to “General Information – Details of the Market Making Arrangements for this Issue” on page 39 of this Prospectus.*

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Exchange / Platform BSE circular dated April 01, 2015, which states as follows:

**BSE ELIGIBILITY NORMS:** (<http://www.bsesme.com/static/getlisted/criteriaisting.aspx?expandable=0>)

1. The Company has Net Tangible assets of at least Rs. 3 crore as per the latest audited financial results.
2. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 3 crore as per the latest audited financial results.
3. The Company has track record of distributable profits in terms of section 123 of Companies Act for at least two years out of immediately preceding three financial years and each financial year has a period of at least 12 months or has networth of Rs. 5 crore.
4. The distributable Profit, Net tangible Assets and Net worth of the Company as per the restated financial statements for the period ended February 15, 2016 is as set forth below:-

(Rs. In lakhs)	
Particulars	February 15, 2016
Distributable Profits*	17.91
Net Tangible Assets**	518.52
Net Worth***	517.92

\* “Distributable profits” have been computed in terms section 123 of the Companies Act, 2013.

\*\* ‘Net tangible assets’ are defined as the sum of all net assets (i.e. non current assets, current assets less current liabilities) of our Company, excluding deferred tax asset and intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

\*\*\* “Net Worth” has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure, if any

5. The Post-issue paid up capital of the Company shall be at least Rs. 3 Crore. The post-issue paid - up capital of the Company shall be Rs. 688.00 lakhs.

## **1. Other Requirements**

### **i. The post-issue paid up capital of the company shall be at least Rs. 3 crore.**

As detailed in chapter “Capital Structure” on page 44 of this Prospectus, our Company will have a post issue paid up capital of Rs.688.00 Lacs (Rupees Six Crore Eighty Eight Lacs.).

### **ii. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

Our Company has already entered into the tripartite agreements with both the depositories i.e. CDSL and NSDL along with our Registrar for facilitating trading in dematerialized mode.

### **iii. Companies shall mandatorily have a website.**

Our Company has a live and operational website: [www.nintecsystems.com](http://www.nintecsystems.com)

## **2. Certificate from the applicant company / promoting companies stating the following:**

### **a. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).**

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

### **b. There is no winding up petition against the company that has been accepted by a court.**

There is no winding up petition against our Company that has been accepted by a court or liquidator has been appointed.

### **c. There is no change in the promoters of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.**

There is no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

## **DISCLOSURE**

Neither the Company nor its Promoters, Group Companies, Relatives (as defined under Companies Act) of Promoters and Group Companies have been identified as willful defaulters by the Reserve Bank of India or any other Authority.

## **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED**



HAS FURNISHED, A DUE DILIGENCE CERTIFICATE DATED MARCH 18, 2016 WHICH READS AS FOLLOWS:

1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS PROSPECTUS PERTAINING TO THE SAID ISSUE;

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 ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER,

WE CONFIRM THAT:

(A) THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY 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 PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), 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 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 FULFIL THEIR UNDERWRITING COMMITMENTS-NOTED FOR COMPLIANCE.

5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS 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 PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.

6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.

7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. 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 ISSUE. - NOT APPLICABLE**

- 8) **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION 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 ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE 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 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 ISSUE.**
- 14) **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15) **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16) **WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR.**
- 17) **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS**

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.-NOTED
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. – NOT APPLICABLE
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 110[106P] AND 111[106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.
- (7) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES. – NOT APPLICABLE

*Note: The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34 and section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in this Prospectus.*

*All legal requirements pertaining to the Issue will be complied with, at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad in terms of Section 26 and 33 of the Companies Act, 2013.*

**Statement on Price Information of Past Issues handled by Guinness Corporate Advisors Private Limited (Formerly Known as Guinness Merchant Bankers Pvt. Ltd.):**

Price information of past issues handled by Guinness Corporate Advisors Private Limited

Sr. No.	Issuer Name	Issue size (₹ in cr.)	Issue price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Alacrity Securities Limited	9	15	14.08.13	12.65	-42.67	-29.00	-50.67
						2.14	5.80	4.99
2	Satar Finlease Limited	13.5	18	11.10.13	19.90	155.83	73.89	202.50
						-0.18	0.98	10.59
3	Polymac Thermoformers Limited	7.7	35	26.02.14	34.75	20.00	72.71	500.00
						5.85	17.77	25.97
4	Tarini International Limited	16.31	41	26.06.14	42	-7.93	-41.46	-42.68
						4.25	6.83	10.53
5	Oasis Tradelink Limited	6	30	14.07.14	35.90	-3.00	12.50	14.17
						3.49	5.51	9.80
6	Encash Entertainment Limited	4.39	40	29.09.14	44.00	25.00	177.63	17.50
						1.07	3.00	3.24
7	Naysaa Securities Limited	1.5	15	25.09.14	14.25	0.00	0.00	-13.33
						1.08	3.92	6.51
8	VMV Holidays Limited	1.56	10	14.07.15	10.25	2.50	-8.50	-8.50
						-1.51	-3.68	-11.13
9	Gala Print City Limited	3.04	24	16.07.15	24.45	2.50	0.00	-2.92
						-1.33	-5.62	-12.73
10	P. B. Films Limited	5	10	22.09.15	9.50	-12.00	-20.00	N.A
						6.38	0.33	N.A

**Note:** The 30th ,90th, and 180th calendar days has been taken as listing date plus 29, 89, 179 calendar days respectively. Where the 30th day / 90th day / 180th day of a particular year falls on a BSE trading holiday, the immediately following trading day has been considered. Where the 30th day / 90th day / 180th of a particular year falls on the day when there is no trade in equity share of the Company , preeceding trading day has been considered. BSE SENSEX has been considered as the benchmark index. We have taken the Issue price to calculate the % change in closing price as on 30th, 90th and 180th day.

*Summary statement of price information of past issues handled by Guinness Corporate Advisors Private Limited*

Financial Year	Total no. of IPOs	Total Funds raised (₹ in cr.)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over	Between	Less than 25%	Over	Between	Less than 25%	Over	Between	Less than 25%	Over	Between	Less than 25%
			50%	25-50%		50%	25-50%		50%	25-50%		50%	25-50%	
April 1, 2015 – date of filing of this Prospectus	3	9.6	NA	NA	1	NA	NA	2	NA	NA	2	NA	NA	NA
2014-15	4	28.2	NA	NA	2	NA	1	1	NA	1	1	NA	NA	2
2013-14	5	48.61	1	1	NA	1	1	1	2	NA	NA	3	NA	NA

**Track records of past issues handled by the Guinness Corporate Advisors Private Limited**

For details regarding the track record of the Guinness Corporate Advisors Private Limited, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of Guinness Corporate Advisors Private Limited at [www.16anna.com](http://www.16anna.com)

**Disclaimer Clause of BSE**

BSE Limited (“BSE”) has given vide its letter dated March 15, 2016, permission to this Company to use its name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this company. BSE does not in any manner:-

- Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- Warrant that this company’s securities will be listed or will continue to be listed on BSE; or
- Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**Disclaimer from our Company and the Lead Manager**

Our Company, its Directors, and the Lead Manager accept no responsibility for statements made otherwise than those contained in this 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 including our website [www.nintecsystems.com](http://www.nintecsystems.com) would be doing so at his or her own risk.

**Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated February 12, 2016, the Underwriting Agreement February 12, 2016, entered into among the Underwriters and our Company and the Market Making Agreement dated February 12, 2016, entered into among the Lead Manager, Market Maker and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in future engage, in investment banking transactions with our Company, affiliates or associates or third parties, for which they have received, and may in future receive, compensation.

**Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, 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 Equity Shares of our Company.**

**Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India {including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in section 2(72) of the Companies Act 2013, state industrial development corporations, Venture Capital Funds (VCFs) registered with SEBI, Insurance Companies registered with Insurance and Regulatory Development Authority, Provident Funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lacs and pension funds with minimum corpus of Rs. 2,500 Lacs, and to permitted non residents including FIIs, eligible NRIs, multilateral and bilateral development financial institutions, foreign venture capital investors registered with SEBI and eligible foreign investors provided they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an offer to sell an invitation to subscribe to or purchase Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any 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.

**Disclaimer clause under rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

**Filing**

The Prospectus is being filed with BSE SME Platform, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001.

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M) (3). However, a copy of the Prospectus shall be filed with SEBI at The Regional Manager, Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station Opp. Nehru Bridge Ashram Road, Ahmedabad - 380 009.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013, will be delivered to the RoC situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013.



## Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining in-principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue.

BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days of the Offer Closing Date. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from applicant within the timelines prescribed under applicable laws, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

## Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, Chief Financial Officer, the Statutory Auditor, Peer Review Auditor, the Banker(s) to the Company; and (b) the Lead Manager, Underwriters, Market Makers, Bankers to the Issue, Registrar to the Issue, Legal Advisor to the Issue to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall 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 Samir M. Shah & Co, Chartered Accountants, have agreed to provide their written consent to include its report on statement of funds deployed as on February 13, 2016 dated February 13, 2016. M/s R.T. Jain & Co, Peer Review Auditors have agreed to provide Statement of Tax Benefits dated February 26, 2016 relating to the possible tax benefits, as applicable and have also agreed to provide their written consent to include their report dated February 26, 2016 on restated financial statements and, which may be available to the Company and its shareholders, included in this 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 Prospectus.

## Expert Opinion

Our Company has not obtained any expert opinion except as set forth below:

- The report of the Peer Reviewed Auditor on the Restated Financial Statements and on the Statement of Tax Benefits.

## Public Issue Expenses

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. 39.00 Lakhs which is 20.74% of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

S.N.	Particulars	Amount (Rs. In Lacs)
1.	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	34.00
2.	Regulatory fees	2.00



S.N.	Particulars	Amount (Rs. In Lacs)
3.	Other Expenses(Printing stationery, advertisement, postage etc.)	3.00
<b>Total</b>		<b>39.00</b>

#### Details of Fees Payable

Particulars	Amount (Rs. In Lacs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	34.00	87.18	18.09
Regulatory fees	2.00	5.13	1.06
Other Expenses (Printing stationery, advertisement, postage etc.)	3.00	7.69	1.60
<b>Total</b>	<b>39.00</b>	<b>100.00</b>	<b>20.74</b>

#### Fees Payable to Lead Manager to the Issue

The total fees payable to the Lead Manager will be as per the Engagement Letter from our Company and Lead Manager and Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

#### Fees Payable to the Registrar to the Issue

The fees payable by the Company to the Registrar to the Issue will be as per the Memorandum of Understanding signed among our Company and Registrar to the Issue, copy of which is available for inspection at the Registered Office of our Company. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

#### Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertisers, etc. will be as per the terms of their respective engagement letters, if any

#### Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Underwriter. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 41 of this Prospectus.

#### Commission and Brokerage paid on previous Issues of our Equity Shares

Since this is the Initial Public Offer of the 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 the Equity Shares since inception of the Company.

#### Capital Issue during the last three years

NINtec Systems Limited and its Group Companies have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

## Previous Public or Rights Issue

Except as stated in the chapter titled “**Capital Structure**” beginning on page 44 of this Prospectus, we have not made any previous rights and public issues in India or abroad and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

## Previous Issues of Equity Shares otherwise than for cash

Except as stated in the section titled “Capital Structure” on page 44 of this Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

## Promise vis-à-vis performance

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore data regarding promise versus performance is not applicable on us.

## Outstanding Debentures or Bonds and Redeemable Preference Shares and other Instruments

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Prospectus.

## Stock Market Data for our Equity Shares

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

## Investor Grievances and Redressal System

The Company has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Bigshare Services Private Limited, will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

S. N.	Nature of Complaint	Time Table
1.	Non-receipt of refund	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2.	Non receipt of share certificate/Demat Credit	Within 7 days of receipt of complaint subject to production of satisfactory evidence
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Redressal of investors’ grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI’s direction for appointment of Common Agency for physical as

well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Mr. Mukesh Jiwnani, as Company Secretary and Compliance Officer and he may be contacted in case of any pre-issue or post-issue problems. He can be contacted at the following address:

Mr. Mukesh Jiwnani,  
Company Secretary & Compliance Officer,  
B-11 Corporate House SG Highway,  
Bodakdev, Ahmedabad-380 015  
Tel: +91-79-40393909  
Fax: +91-79-40393909  
Email: cs@nintecsystems.com  
Website: www.nintecsystems.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders 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 Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

#### **Changes in Auditors**

There are no changes in the Auditors of our Company during the last three financial years.

#### **Capitalization of reserves or profits during last five (5) years.**

Our Company has not capitalized any reserve during last five (5) years.

#### **Revaluation of assets during the last five (5) years**

Our Company has not revalued its assets during the last five (5) years.

## Section VIII - Issue Related Information

### Terms of the Issue

*The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been*

### Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please refer to the section titled “Main Provisions of the Articles of Association of the Company” on page 207 of this Prospectus.

### Authority for the Issue

This Issue has been authorized by a resolution of the Board passed at their meeting held on January 09, 2016 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held with a shorter notice on January 30, 2016.

### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association and the provisions of the SEBI Listing Regulations and shall be recommended by the Board of Directors and the shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act 2013.

For further details, please refer to the section titled “Dividend Policy” on page 117 of this Prospectus.

### Face Value and Issue Price

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Prospectus at the price of Rs. 10/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis for Issue Price” on page 59 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;

- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, SEBI Listing Regulations and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "Main Provisions of Articles of Association of our company" beginning on page 207 of this Prospectus.

### **Minimum Application Value; Market Lot and Trading Lot**

In terms of section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI ICDR Regulations, trading in the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum lot size of 10,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 10,000 Equity Share subject to a minimum allotment of 10,000 Equity Shares to the successful applicants.

### **Minimum Number of Allottees**

The minimum number of Allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective Allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of Issue.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 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.

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **Period of Operation of Subscription List of Public Issue**

<b>Issue Opens On</b>	Tuesday, March 29, 2016
<b>Issue Closes On</b>	Wednesday, April 06, 2016

#### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

*In accordance with Regulation 106P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Prospectus and shall not be restricted to the minimum subscription level.*

*In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).*

*Further, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

#### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 10,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum lot size allowed for trading on the SME platform of BSE.

#### **Restrictions, If any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting.**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer to the section titled “Main Provisions of the Articles of Association of the company” on page 207 of this Prospectus.

#### **Option to receive Equity Shares in Dematerialized Form**

As per section 29 of Companies Act 2013, allotment of Equity Shares will be made only in dematerialised form.

#### **Migration to Main Board**

Our Company may migrate to the main board of BSE from SME platform of BSE on a later date subject to the following:

a) If the Paid up Capital of the Company is likely to increase above Rs.25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the

proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board.

OR

b) If the Paid up Capital of the company is more than Rs.10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### Market Making

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “*General Information - Details of the Market Making Arrangement for this Issue*” on page 39 of this Prospectus.

In accordance with the SEBI Circular No.CIR/MRD/DSA/31/2012 dated November 27, 2012; it has decided to make applicable limits on the upper side for the Market Maker during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto Rs. 20 Crore, (as applicable in our case)	25%	24%

Further, the following shall apply to market makers while managing their inventory during the process of market making:

The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.

Any initial holdings over and above such 5% of issue size would not be counted towards the inventory levels prescribed.

Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold. Threshold limit will take into consideration, the inventory level across market makers

The Market Maker shall give two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

### Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Ahmedabad, India. The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (“**Securities Act**”) or any state securities laws in the United States, and may not be offered or sold within the United States (**as defined in Regulation S under the Securities Act**), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



## Issue Structure

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, An issuer whose post-issue face value capital is not more than ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an Issue please refer the section titled “Terms of the Issue” and “Issue Procedure” on page 159 and 166 of this Prospectus.

Following is the Issue structure:

Public Issue of 18,80,000 Equity Shares of Rs.10/- each (the “Equity Shares”) for cash at a price of Rs.10/- per Equity Share aggregating to Rs.188.00 Lacs (“the Issue”) by our Company.

The Issue comprises reservation of 1,00,000 Equity Shares for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of 17,80,000 Equity Shares (“the Net Issue”).

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	17,80,000 Equity Shares	1,00,000 Equity Shares
Percentage of Issue Size available for allocation	94.68% of the Issue size	5.32% of the Issue size
Basis of Allotment	Proportionate subject to minimum allotment of 10,000 Equity Shares and further allotment in multiples of 10,000 Equity Shares each.  For further details please refer to the section titled “ <i>Issue Procedure – Basis of Allotment</i> ” on page 200 of this Prospectus.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through ASBA Process	Through ASBA Process Only
Minimum Application Size	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/-  <b>For Retail Individuals:</b> 10,000 Equity Shares	1,00,000 Equity Shares
Maximum Application Size	<b>For QIB and NII:</b> Such number of equity shares in multiples of 10,000 Equity Shares such that the Application Size does not exceed 17,80,000 Equity Shares.  <b>For Retail Individuals:</b> 20,000 Equity Shares	1,00,000 Equity Shares
Mode of Allotment	Dematerialized Form only	Dematerialized Form only
Trading Lot	10,000 Equity Shares	10,000 Equity Shares. However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The Applicant shall have sufficient balance in the ASBA account at the time of submitting application and the amount will be blocked anytime within two days of the closure of the Issue.	

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present offer is a fixed price offer 'the Allocation' in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - i. Individual applicants other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

#### **Withdrawal of the Issue**

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

#### **Issue Programme**

<b>Issue Opening Date</b>	Tuesday, March 29, 2016
<b>Issue Closing Date</b>	Wednesday, April 06, 2016

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on *Working day i.e. all trading days of stock exchanges excluding Sunday and bank holidays as per SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.*

## **Issue Procedure**

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Document”) included below under section “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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Prospectus.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus and this Prospectus.

## **Part A**

### **Fixed Price Issue Procedure**

The Issue is being made under Regulation 106 (M) (1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process. Applicants are required to submit their Applications to the Designated Intermediaries. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in dematerialized form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, Client ID, and PAN shall be treated as incomplete and liable to be rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

### **Application Form**

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the Application Form as would be

required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

Also, please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, All Applicants shall mandatorily participate in the Issue only through the ASBA process.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by applicants. Upon completing and submitting the Application Form for Applicants to the SCSB, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the Application as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour
Resident Indians and 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 bidding under the QIB) FPIs, on a repatriation basis	Blue

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all Applicants shall mandatorily participate in the Offer only through the ASBA process.

Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

Applicants are required to submit their applications only through any of the following Designated Intermediaries:

- an SCSB, with whom the bank account to be blocked, is maintained
- a syndicate member (or sub-syndicate member)
- 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')
- a registrar to an issue and share transfer agent ('RTA')
- a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity).

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centers only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

## Who Can Apply?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines;

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;

5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. 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);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
9. FPIs other than Category III foreign portfolio investor;
10. Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
11. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
12. Venture Capital Funds registered with SEBI;
13. Foreign Venture Capital Investors registered with SEBI;
14. Eligible QFIs;
15. Multilateral and Bilateral Development Financial Institutions;
16. State Industrial Development Corporations;
17. 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;
18. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
19. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
20. Provident Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
21. Pension Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
22. 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;
23. Nominated Investor and Market Maker
24. Insurance funds set up and managed by army, navy or air force of the Union of India
25. Any other person eligible to apply in this Issue, under the laws, rules, regulation, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs cannot participate in this Issue.

**Applications not to be made by:**

1. Minors (except through their Guardians)

2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

The information below is given for the benefit of the applicants. Our Company and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

### **Availability of Prospectus and Application Forms**

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection centres of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com)

### **Option to subscribe in the Issue**

- a. As per Section 29 of the Companies Act, 2013, allotment of Equity Shares will in dematerialized form only.
- b. The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Participation by Associates of LM**

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, where the allotment is on a proportionate basis.

### **Application by Indian Public Including Eligible NRI's**

Application must be made only in the names of Individuals, Limited Companies or Statutory Corporations/ Institutions and not in the names of Minors (except through their Legal Guardians), Foreign Nationals, Non Residents (except for those applying on non-repatriation), Trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants make application on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non- Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants make application on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs Applicants make application on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs Applicants make application on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

## **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

## **Applications by FPIS, FIIS AND QFIS**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' will be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FPI after registering as an FPI under the SEBI FPI Regulations. Further, a QFI can continue to buy, sell or otherwise deal in securities until January 6, 2015 or until the QFI obtains a certificate of registration as FPI, whichever is earlier. Such QFIs shall be eligible to participate in this Issue in accordance with Schedule 8 of the FEMA Regulations and are required to Apply under the Non-Institutional Applicants category.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company. 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. As of now, in accordance with the foreign investment limits applicable to us the total foreign investment including FII investment cannot exceed the sectoral cap applicable to us (being 100% of our total post Issue paid-up capital). Further, the existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only 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.



### **Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors**

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors: The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

### **Applications by Limited Liability Partnerships**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2013, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets in all companies belonging to the group; and
- c) The industry sector in which the investee company operates: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets.

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

### **Application by Provident Funds/ Pension Funds**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹2,500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

### **Application under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs.25 Crores (subject



to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a). With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(c). With respect to applications made by provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

***Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.***

***The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.***

### **Maximum and Minimum Application Size**

#### **(a) For Retail Individual Applicants**

The Application must be for a minimum of 10,000 Equity Shares and in multiples of 10,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

#### **(b) For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 200,000 and in multiples of 10,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB or Non Institution Applicant cannot withdraw or lower its Application at any stage of Issue.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

#### **Information for the Applicants:**

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered/Corporate Office or from the registered office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the name of Minors and/or their nominees shall not be accepted.

#### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp and acknowledge by the Designated Intermediary.

#### **Applicant's Depository Account and Bank Details**

**Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allocation Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Procedure and Time Schedule for Transfer of Equity Shares**

The Issue will be conducted through the "Fixed Price Method" pursuant to which the Designated Intermediary will accept Applications for the Equity Shares during the Issue Period. The Issue Period will commence on Tuesday, March 29, 2016 and expire on Wednesday, April 06, 2016. Following the expiration of the Issue Period, our Company, in consultation with the Lead Manager, will determine the basis of allotment and entitlement to allotment based on the applications received and subject to the confirmation by the Stock Exchanges. Successful Applicants will be provided with a confirmation of their allocation for the Equity Shares within a prescribed time. The SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful Applicants within 4 days of the expiration of the Issue Period. The Equity Shares will then be credited and allotted to the investors demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

#### **Payment Instructions**

All Applicants are required to use the ASBA facility to make payment.

#### **Basis of Allotment**

Allotment will be made in consultation with BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of shares applied for).
2. The number of shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. total number of shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 10,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 10,000 Equity Shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 10,000 equity shares, the number in excess of the multiple of 10,000 would be rounded off to the nearest multiple of 10,000, subject to minimum allotment of 10,000 Equity Share.
5. If the shares allotted on a proportionate basis to any category is more than the shares allotted to the applicants in that category, the balance available shares for allocation shall be first adjusted against any category, where the allotted shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of shares. If as a result of the process of rounding off to the lower nearest multiple of 10,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Terms of Payment / Payment Instructions**

The entire Issue price of Rs. 10/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, The Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

- All Applicants are required to make use ASBA for applying in the Issue
- Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.
- Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- From one ASBA Account, a maximum of five Applications can be submitted.
- Applicants Applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### **Unblocking of ASBA Account**

- a. Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons

for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

- b. On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c. In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date

### **Electronic Registration of Applications**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  - Name of the Applicant;
  - IPO Name;
  - Application Form number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);

- DP ID of the demat account of the Applicant;
- Client Identification Number of the demat account of the Applicant;
- Numbers of Equity Shares Applied for;
- Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
- Bank account number

In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.

7. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

## **General Instructions**

### ***Do's:***

- Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the PAN, DP ID and Client ID are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.



- Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the Designated Intermediary;
- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and

#### ***Don'ts:***

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by cheques or by demand drafts or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediary.
- Do not submit Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
- Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;

#### **Other Instructions**

##### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

##### ***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **Grounds for Rejections**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 10,000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Applications by Applicants not submitted through ASBA process;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;



- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date;

**Applicants should note that in case the PAN, the DP id and client id mentioned in the application form and entered into the electronic application system of the stock exchanges by the SCSBs do not match with PAN, the DP id and client id available in the depository database, the application form is liable to be rejected.**

### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**"Any person who:**

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the said Act."**

### **Signing of Underwriting Agreement**

Vide an Underwriting Agreement dated February 12, 2016 this issue is 100% Underwritten.

### **Filing of the Prospectus with the ROC**

The Company will file a copy of the Prospectus with the RoC in terms of 32 of the Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

### **Issuance of a Confirmation of Allocation Note (“CAN”)**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the Brokers a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

### **Designated Date and Allotment of Equity Shares**

(a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Issue Close Date.

### **Disposal of Applications and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 3 (three) working days of the Issue Closing Date;
- 2) Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
- 3) If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Undertakings by our Company**

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;

- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) working days of closure of the Issue;
- 3) That funds required for making refund(to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- 4) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are unblocked on account of non listing, under subscription etc.
- 5) That adequate arrangements shall be made till the securities offered through this Offer Document are listed or till the application monies are unblocked on account of non-listing, under subscription, etc.;
- 6) That adequate arrangement shall be made to collect all Application Forms by Applicants.
- 7) That the promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought in pro rata basis before the calls are made on public;

### **Utilization of Issue Proceeds**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements SEBI Listing Regulations in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company declare that all monies received out of the Public Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

### **Withdrawal of the Issue**

Our Company in consultation with the LM reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper. The Stock Exchanges where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Offer Document with the Stock Exchange.

### **Equity Shares in Dematerialised Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated March 01, 2016 between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated February 08, 2016 between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE395U01014.

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

### **Communications**

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts etc.

## Part B GID

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013(to the extent notified and in effect), Companies Act, 1956(without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus before investing in the Issue.*

### Section 1: Purpose of the General Information Document (GID)

This document is applicable to the public issues undertaken through Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the LM to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Definitions and Abbreviations” on page 2 of this Prospectus.

### SECTION 2: Brief introduction to IPOs on SME Exchange

#### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) or the Applicable Regulations of Chapter XB of the SEBI ICDR Regulations, 2009, as amended. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

#### 2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 and the Companies Act, 1956 to the extent applicable (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry- specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Applicants may refer to the Prospectus.

#### **a. Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Issue Opening Date, in case of an IPO and at least one Working Day before the Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### **2.4 Issue Period**

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange(s).

### **2.5 Migration to Main Board**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

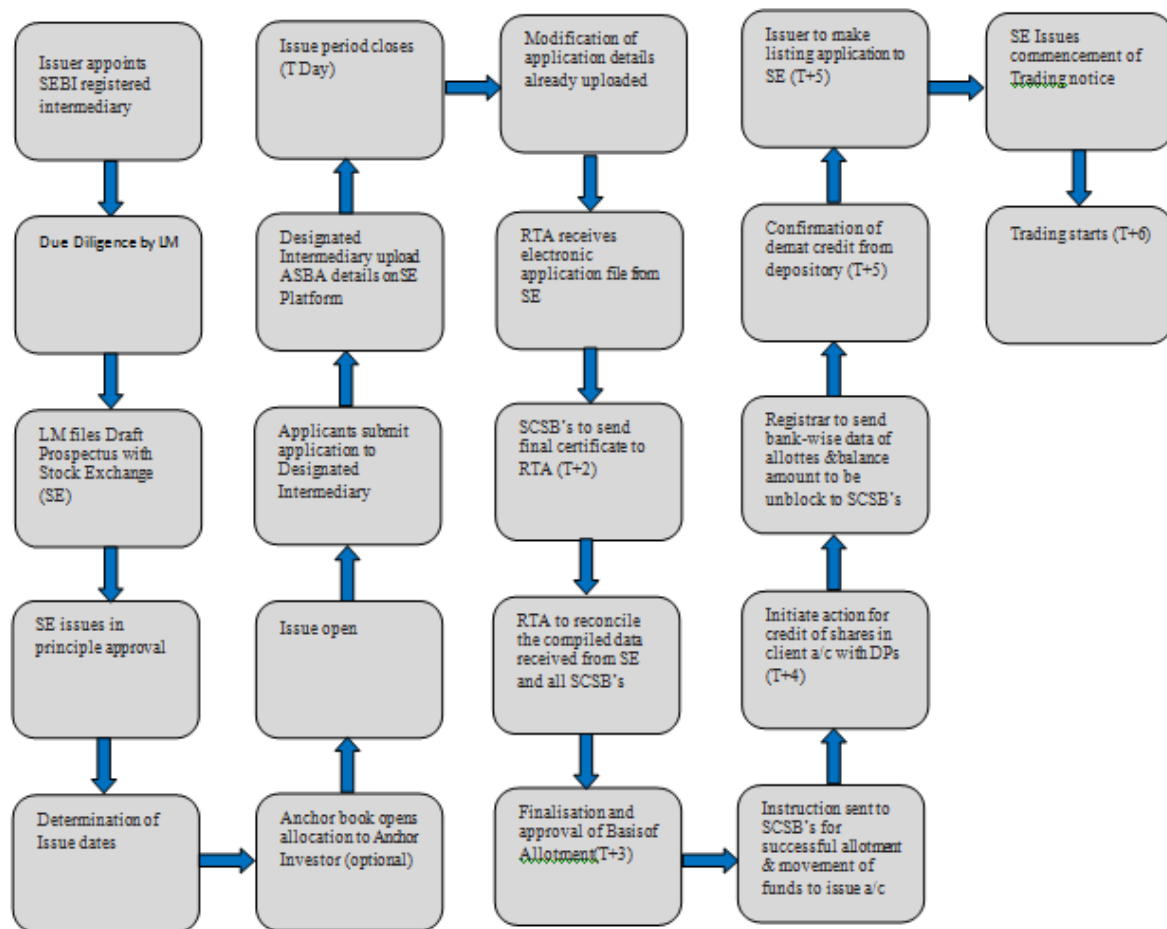
(a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to Stock Exchange for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

Or

(b) If the Paid up Capital of the company is more than 10 crores and upto Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **2.6 Flowchart of Timelines**

A flow chart of process flow in Fixed Price Issues is as follows:





### Section 3: Category of Investors eligible to participate in an Issue

**Each Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Applicants, such as NRIs, FIIs/FPIs, QFIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Applications by HUFs may be considered at par with Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law ;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, applying under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III Foreign Portfolio Investors applying under the QIBs category;
- FPIs which are Category III Foreign Portfolio Investors, applying under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

### Section 4: Applying in the Issue

**Fixed Price Issue:** Applicants should only use the specified Application Form either bearing the stamp of Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

Category	Color of the application form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), FPIs, QFIs, on a repatriation basis	Blue

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of



the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

#### **4.1 Instructions for filing the application form (fixed price issue)**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below. The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

**COMMON BID CUM APPLICATION FORM**

LOGO

TO,  
THE BOARD OF DIRECTORS  
XYZ LIMITED

**XYZ LIMITED - INITIAL PUBLIC ISSUE - R**

Address : ..... Contact Details : ..... CIN No : .....

**FIXED PRICE ONE ISSUE**

**INE00000000000**

**FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS**

Bid cum Application Form No. ....

---

**SYNDICATE MEMBER'S STAMP & CODE**

**SUB-BROKER'S / SUB-AGENT'S STAMP & CODE**

**BANK BRANCH SERIAL NO.**

**BROKER/SCSB/DP/RTA STAMP & CODE**

**ESCROW BANK/SCSB BRANCH STAMP & CODE**

**SCSB SERIAL NO.**

**1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER**

Mr. / Ms. ....

Address : .....

Email : .....

Tel. No (with STD code) / Mobile : .....

**2. PAN OF SOLE / FIRST BIDDER**

.....

---

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")**

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)
		Bid Price	Retail Discount	Net Price	
Option 1	.....	.....	.....	.....	<input type="checkbox"/>
(OR) Option 2	.....	.....	.....	.....	<input type="checkbox"/>
(OR) Option 3	.....	.....	.....	.....	<input type="checkbox"/>

**5. CATEGORY**

☐ Retail Investor Bidder

☐ Non-Institutional Bidder

☐ QIB

\* RUP should apply only through Karta (Application by RUP would be treated on per person individual)

---

**7. PAYMENT DETAILS**

Amount paid (₹ in figures) : ..... (₹ in words) : .....

ASBA Bank A/c No. ....

Bank Name & Branch : .....

**PAYMENT OPTION : FULL PAYMENT** ☐ **PART PAYMENT** ☐

---

**8A. SIGNATURE OF SOLE / FIRST BIDDER**

.....

Date : .....

**8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)**

I/We authorize the SCSB to do all acts as are necessary to make the Application in the line

1) .....  
2) .....  
3) .....

**BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)**

.....

---

LOGO

**XYZ LIMITED**

**INITIAL PUBLIC ISSUE - R**

**Acknowledgement Slip for Broker/SCSB/DP/RTA**

Bid cum Application Form No. ....

PAN of Sole / First Bidder : .....

---

DPID / CLID : .....

Amount paid (₹ in figures) : ..... Bank & Branch : .....

ASBA Bank A/c No. ....

Received from Mr./Ms. ....

Telephone / Mobile : ..... Email : .....

**Stamp & Signature of SCSB Branch**

.....

---

**XYZ LIMITED - INITIAL PUBLIC ISSUE - R**

	Option 1	Option 2	Option 3
No. of Equity Shares	.....	.....	.....
Bid Price	.....	.....	.....
Amount Paid (₹)	.....	.....	.....
ASBA Bank A/c No. ....			
Bank & Branch : .....			

**Stamp & Signature of Broker / SCSB / DP / RTA**

.....

**Name of Sole / First Bidder**

.....

**Acknowledgement Slip for Bidder**

**Bid cum Application Form No.** .....

**COMMON BID CUM APPLICATION FORM**

Address : \_\_\_\_\_ Contact Details: \_\_\_\_\_ CIN No \_\_\_\_\_

LOGO **TO,**  
**THE BOARD OF DIRECTORS**  
**XYZ LIMITED**

**XYZ LIMITED - INITIAL PUBLIC ISSUE - NR**

**FIXED PRICE BARE ISSUE**

**INE00000000000**

For Eligible NRI, FI, FVCI, applying on  
 Registration Basis

Bid cum Application Form No. \_\_\_\_\_

---

**SYNDICATE MEMBER'S STAMP & CODE**

**SUB-BROKER'S / SUB-AGENT'S STAMP & CODE**

**BANK BRANCH SERIAL NO.**

**BROKER/SCSB/DP/RTA'S STAMP & CODE**

**ESCROW BANK/SCSB BRANCH STAMP & CODE**

**SCSB SERIAL NO.**

**1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER**

Mr. / Ms. \_\_\_\_\_

Address \_\_\_\_\_

Email \_\_\_\_\_

Tel. No (with STD code) / Mobile \_\_\_\_\_

**2. PAN OF SOLE / FIRST BIDDER**

\_\_\_\_\_

---

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")**

Bid Option	No. of Equity Shares Bid (In Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (To "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" Please tick <input type="checkbox"/>
		Bid Price	Retail Discount	Net Price	
Option 1	_____	_____	_____	_____	<input type="checkbox"/>
(OR) Option 2	_____	_____	_____	_____	<input type="checkbox"/>
(OR) Option 3	_____	_____	_____	_____	<input type="checkbox"/>

**5. CATEGORY**

☐ Retail Investor Bidder

☐ Non-Institutional Bidder

☐ QIB

**6. Investor Status**

☐ Non-Resident Indians (Residential basis) NR

☐ Foreign Institutional Investor FI

☐ Foreign Venture Capital Investor FVCI

☐ FI Sub-Account Corporate/Individual FISA

☐ Others (Please Specify) OTH

---

**7. PAYMENT DETAILS**

Amount paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

Payment Option: **FULL PAY**

ASEA Bank A/c No. \_\_\_\_\_

Bank Name & Branch \_\_\_\_\_

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE APPLICABLE SECURITIES AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP BID CUM APPLICATION FORM GIVEN OVERLEAF.

**8A. SIGNATURE OF SOLE / FIRST BIDDER**

\_\_\_\_\_

Date : \_\_\_\_\_

**8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)**  
 (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as an necessary to make the Application in the line

1) \_\_\_\_\_

2) \_\_\_\_\_

3) \_\_\_\_\_

**BROKER / SCSB / DP / RTA STAMP** (Acknowledging receipt of Bid in Stock Exchange system)

---

LOGO **XYZ LIMITED**

**INITIAL PUBLIC ISSUE - NR**

**Acknowledgement Slip**  
 for Broker/SCSB/DP/RTA

Bid cum Application Form No. \_\_\_\_\_

PAN of Sole / First Bidder \_\_\_\_\_

---

Amount paid (₹ in figures) \_\_\_\_\_ Bank & Branch \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Received from Mr./Ms. \_\_\_\_\_

Telephone / Mobile \_\_\_\_\_ Email \_\_\_\_\_

Stamp & Signature of SCSB Branch

**Stamp & Signature of Broker / SCSB / DP / RTA**

\_\_\_\_\_

**Name of Sole / First Bidder**

\_\_\_\_\_

**Acknowledgement Slip for Bidder**

Bid cum Application Form No. \_\_\_\_\_

---

**XYZ LIMITED - INITIAL PUBLIC ISSUE - NR**

Option 1 Option 2 Option 3

No. of Equity Shares \_\_\_\_\_

Bid Price \_\_\_\_\_

Amount Paid (₹) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Bank & Branch \_\_\_\_\_

**Stamp & Signature of Broker / SCSB / DP / RTA**

\_\_\_\_\_

**Name of Sole / First Bidder**

\_\_\_\_\_

**Acknowledgement Slip for Bidder**

Bid cum Application Form No. \_\_\_\_\_

#### 4.1.1 Field Number 1: Name and contact details of the sole/first applicant

- (a) Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

**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) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective Depository Participant.

#### 4.1.2 Field Number 2: PAN number of sole/first applicant

- (a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description

in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

- (d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Applications by Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### 4.1.3 Field Number 3: Applicants Depository Account Details

- (a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- (b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- (c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### i. Field Number 4: Application details

- (a) The Issuer mentions Price in the draft Prospectus and in prospectus registered with RoC.
- (b) Minimum And Maximum Application Size

##### i. For Retail Individual Applicants

The Application must be for a minimum of 10,000 Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 10,000 Equity Shares.

##### ii. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 200,000 and in multiples of 10,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB and a NII Applicant cannot withdraw or lower its quantity or price in its application once the application is submitted and is required to pay 100% Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

- (c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to different Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.



- (d) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (e) The following applications may not be treated as multiple Applications:
- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

**ii. Field Number 5: Category of applicants**

- i. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of application, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- ii. An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- iii. The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the Prospectus.

**4.1.6 Field Number 6: Investor Status**

- (a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Applicants, such as NRIs, FIIs/FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- (c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- (d) Applicants should ensure that their investor status is updated in the Depository records.

**4.1.7. Field Number 7: Payment Details**

- (a) The full Application Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full amount in the Application Form and funds shall be blocked for Amount net of Discount. Only in cases where

the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

- (b) All Applicants can participate in the Offer only through the ASBA mechanism
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- (d) Please note that, providing bank account details in the space provided in the Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

#### 4.1.7.1 Payment instructions for Applicants

- (a) Applicants may submit the Application Form either
  - i. in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or
  - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form, or
  - iii. in physical mode to any Designated Intermediary
- (b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.1.7.2 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Applicant to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

#### 4.1.7.3 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Applicants applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- (c) the Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Amount less Discount (if applicable).

Applicant may note that in case the net payment (post Discount) is more than two lakh Rupees, the system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.8 Field Number 8: Signatures and Other Authorisations

- (a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) Signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Amount mentioned in the Application Form.
- (d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### 4.1.9 Acknowledgement and future communication

- (a) Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.
- (b) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblock of fund, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.



- iii. In case of queries relating to uploading of Applications by a Registered Broker, the Applicants should contact the relevant Registered Broker.
  - iv. In case of Applications submitted to the RTA, the Bidders/Applicants should contact the relevant RTA.
  - v. In case of Applications submitted to the DP, the Applicants should contact the relevant DP.
  - vi. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- (d) The following details (as applicable) should be quoted while making any queries -
- i. full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the Designated Intermediary, where the application was submitted.
  - iii. ASBA Account number in which the amount equivalent to the application amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 Instructions for filing the revision form**

- (a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise their applications till closure of the Issue period or withdraw their applications until finalization of allotment.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
	Address : ..... Contact Details : ..... CIN No. ....	
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<div style="border: 1px solid black; padding: 2px; display: inline-block;">BOOK BUILT ISSUE</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">ESIN : .....</div>
		Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px; vertical-align: middle;"></span>

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr./Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
		Address <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
		Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER
		<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
		<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID		

PLEASE CHANGE MY BID									
4. FROM (AS PER LAST BID OR REVISION):									
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)								
	8	7	6	5	4	3	2	1	
Option 1									
(OR) Option 2									
(OR) Option 3									
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")									
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)								
	8	7	6	5	4	3	2	1	
Option 1									
(OR) Option 2									
(OR) Option 3									

4. PAYMENT DETAILS									
Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)									
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)								
	8	7	6	5	4	3	2	1	
Option 1									
(OR) Option 2									
(OR) Option 3									

Additional Amount Paid (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> (₹ in words) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>									
ASBA <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>									
Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>									
Bank Name & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>									

TEAR HERE														
I/WE HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BIDDING FORM AND THE ATTACHED BROCHURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF HERE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.														
7A. SIGNATURE OF SOLE / FIRST BIDDER					7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)					BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)				
Date : .....														

TEAR HERE									
LOGO <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> <b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R									
Acknowledgement Slip for Broker/SCSB/DP/RTA <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>									
PAN of Sole / First Bidder <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>									
DPID / CLID <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>									
Additional Amount Paid (₹) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> Stamp & Signature of SCSB Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>									
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>									
Received from Mr./Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>									
Telephone / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>									

TEAR HERE									
XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R									
Stamp & Signature of Broker / SCSB / DP / RTA <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> Name of Sole / First Bidder <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>									
Acknowledgement Slip for Bidder <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>									
Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>									

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### 4.2.1 Fields 1, 2 and 3: Name and Contact Details Of Sole/First Applicant, PAN of Sole/First Applicant & Depository Account Details of the Applicant

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.2.2 Field 4 & 5: Application Form Revision ‘From’ and ‘To’

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.
- (b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should not exceed Rs. 2,00,000/-. In case amount exceeds Rs. 2,00,000/- due to revision , application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.

#### 4.2.3 Field 6: Payment Details

- (a) All Applicants are required to make payment of the full application amount along with the Revision Form.
- (b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

#### 4.2.4 Field 7: Signatures and Acknowledgements

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### 4.3 Submission of Revision Form/Application Form

#### 4.3.1 Applicants may submit completed application form / Revision Form in the following manner:-

Mode of Application	Submission of Application Form
ALL Application	To the Designated Intermediary

## Section 5: Issue Procedure in Fixed Price Issue

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through collection centres/SCSB and/or Bankers to the Issue .

Applicants may submit an Application Form either in physical form to any of the Designated Intermediary or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be

allocated to the Applicants in the other category.

## 5.2 Grounds of Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount 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, a limited liability partnership can apply in its own name.
- Application by persons not competent to contract under the Indian Contract Act, 1872 as amended including minors, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- PAN not mentioned in the Application Form;
- DP ID and Client ID not mentioned in the Application form
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 10,000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash/cheque/demand draft/pay order;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date, unless the extended time is permitted by BSE

**Applicants Should Note that in Case the PAN, the DP ID and client ID mentioned in the application form and entered into the electronic application system of the stock exchanges do not match with PAN, the DP ID and client ID available in the depository database, the application form is liable to be rejected.**

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

## Section 6: Issue Procedure in Book Built Issue

This being Fixed Price Issue, this section is not applicable for this Issue.

## Section 7: Allotment procedure and Basis of Allotment

### 7.1 Basis of Allotment

Allotment will be made in consultation with the BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For applications where the proportionate allotment works out to less than 10,000 equity shares the allotment will be made as follows:
  - i. Each successful Applicant shall be allotted 10,000 equity shares; and
  - ii. The successful Applicants out of the total applicants for that category shall be determined by the withdrawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- (d) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 10,000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 10,000 equity shares subject to a minimum allotment of 10,000 equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 10,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Applicants as described below:
  - i. As per Regulation 43 (4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. The balance net offer of shares to the public shall be made available for allotment to
    - individual applicants other than retails individual investors and
    - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
  - iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required. 'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with SEBI (ICDR) Regulations.

## 7.2 Designated Date and Allotment of Equity Shares

- (a) **Designated Date:** On the Designated Date, SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**  
  
Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Issue Close Date.

## Section 8: Interest and Unblocking

### 8.1 Completion of formalities for Listing & commencement of Trading

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within six Working Days of the Issue Closing Date.

### 8.2 Grounds for Unblocking of Funds

#### 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 initiate action to unblock the application amount from the Investors accounts.

If such money is not repaid within the prescribed time 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 such period, be liable to repay the money, with interest at such rate as disclosed in the Prospectus.

#### 8.2.2 Non receipt of Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, if the "stated minimum amount" has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement to Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest at the rate of 15% p.a.



### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allotees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies maybe refunded forthwith.

### 8.3 Mode of Unblocking of Funds

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

### 8.4 Interest in case of delay in allotment

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum if Allotment is not made in accordance with timelines prescribes under applicable law.

## Section 9: Glossary and Abbreviations

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Applicant	Any prospective investor who makes a Application pursuant to the terms of the Prospectus and the Application Form.
Application	An indication to make an offer during the Issue Period by a prospective investor pursuant to submission of Application Form, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues
Application Supported by Blocked Amount / ASBA) /ASBA	An application, whether physical or electronic, used by Applicants to make an Application authorising the SCSB to block the Application Amount in the specified bank account maintained with such SCSBs
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the Prospectus and Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account

Companies Act	The Companies Act, 1956 and the Companies Act, 2013 to the extent notified
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a>
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Applicants in the fresh Issue, may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the draft Prospectus/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with the Designated Stock Exchange in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Applicant may refer to the draft Prospectus/Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/ Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPI(s)	Foreign portfolio investors, as defined under the FPI Regulations, including FIIs and QFIs, which are deemed to be foreign portfolio investors
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Closing Date	The date after which the Designated Intermediary may not accept any Applications for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the Designated Intermediary may start accepting Applications for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their application inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Issue Price	The Price at which Equity Shares will be issued and allotted by our Company being Rs. 10/- per Equity Share.
Lead Manager(s)/Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Draft Prospectus/Prospectus and the Application Form of the Issuer.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Lot size. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Lot size.



MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have applied for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs), FPIs which are category III FPIs
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the draft Prospectus/Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs/FPIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act 2013, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
Qualified Financial Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs/FPIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.  Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the draft Prospectus/Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or Applications for a value of not more than ₹ 200,000.

Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum lot size, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicants in an issue to modify the quantity of Equity Shares indicates therein in any of their Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA 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>
Stock Exchanges/ SE	The stock exchanges as disclosed in the draft Prospectus/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement amongst the Issuer and the Underwriters
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to Issue Period, "Working Days" shall mean all days, excluding Saturdays and public holidays, which are working days for commercial banks in India

### **Restriction on Foreign Ownership of Indian Securities**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

The Government has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), issued the Consolidated FDI Policy Circular of 2015 (“**FDI Circular 2015**”), which, with effect from May 12, 2015, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 12, 2015. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

**The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A of the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## Section IX - Main Provisions of the Articles of Association

1. Table F not to apply                      The regulations contained in Table F, in the first Schedule, to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013 be such as are contained in these Articles.
  
2. Interpretation                                In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned thereunder, unless repugnant to the subject matter or content thereof.
  - (a)      “The Act” or “the said Act”  
           “The Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.
  
  - (b)      “These Articles”  
           “These Articles” means Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by special resolution.
  
  - (c)      “Beneficial Owner”  
           “Beneficial Owner” shall have the meaning assigned thereto in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
  
  - (d)      “The Company” or “this Company”  
           “The Company” or “this Company” means **NINTEC SYSTEMS LIMITED**
  
  - (e)      “The Directors”  
           “The Directors” means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board.
  
  - (f)      “Depository”

“Depository” shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act, 1996.

(g) “Depositories Act 1996”

“Depositories Act 1996” includes any statutory modification or re- enactment thereof.

(h) “The Board” or the “Board of Directors”

“The Board,” or the “Board of Directors” means a meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with the Act.

(i) “The Chairman”

“The Chairman” means the Chairman of the Board of Directors for the time being of the Company.

(j) “The Managing Director”

“The Managing Director” includes one or more persons appointed as such or any of such persons or Directors for the time being of the Company who may for the time being be the Managing Director of the Company.

(k) “The Office”

“The Office” means the Registered Office for the time being of the Company.

(l) “Capital”

“Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

(m) “The Registrar”

“The Registrar” means the Registrar of Companies of the State in which the office of the Company is for the time being situated.

(n) “Dividend”

“Dividend” includes Bonus.

(o) “Month”

“Month” means the calendar month.

(p) “Seal”

“Seal” means the Common Seal for the time being of the Company.

(q) “In Writing and Written”

“In Writing and Written” include printing, lithography and other modes of representing or reproducing words in a visible form.

(r) “Plural Number”

Words importing the singular number also include the plural number and vice versa.

(s) “Persons”

“Persons” include corporations and firms as well as individuals.

(t) “Gender”

Words importing the masculine gender also include the feminine gender.

(u) “Securities & Exchange Board of India”

“Securities & Exchange Board of India” or SEBI means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

(v) “Year and Financial Year”

“Year” means the Calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.

Expression in the Act to bear same meaning in the Articles

Save as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

Marginal Notes

The marginal notes hereto shall not affect the construction of these Articles.

### **COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY**

3. Pursuant to Section 17 of the Act, Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Rs. 100/- or such other fee as may be specified in the Rules, a copy of each of the following documents, as in force for the time being:
- (i) The Memorandum;
  - (ii) The Articles, if any;
  - (iii) Every other agreement and every resolution referred to in Section 117(1), of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

### **CAPITAL AND SHARES**

4. The Authorized Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.
5. The Board may, from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
6. The shares capital shall be distinguished by its appropriate number provided that nothing in this clause shall apply to the shares held with a depository.

### **SHARES AT THE DISPOSAL OF THE DIRECTORS**

7. Subject to the provisions of Section 62 of the Act and these Articles, the share capital of Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the

option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

### **FURTHER ISSUE OF SHARES**

8. (1) Where at any time the company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered -
- (a) to persons who at the date of the offer are holders of equity shares of the company in proportion, as nearly as circumstances admit to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:-
    - (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
    - (ii) unless the articles of the company 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; and the notice referred to in clause (i) shall contain a statement of this right;
    - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose them of in such manner which is not disadvantageous to the shareholders and the company;
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be determined by Central Government; or



- (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be determined by central government.
- (2) The notice referred to in sub-clause (i) of clause (1) (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company. The terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

#### **POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES**

- 9. (i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount, in case of shares issued as sweat equity shares as per section 54 of the Act or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.
- (ii) In addition to the powers of the Board under Article 9(i), the Board may also allot the Shares referred to in Article 9(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees including by way of options, as referred to in Article 9(i) in accordance with the directions of the Board or any

Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 9(i) and (ii) above.

### **REDEEMABLE PREFERENCE SHARES**

10. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

### **PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES**

11. On the issue of redeemable preference shares under the provisions of Article 10 hereof, the following provisions shall take effect.
  - (a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
  - (b) No such shares shall be redeemed unless they are fully paid;
  - (c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account and the provisions of this Act relating to reduction of share capital of a company shall apply as if the Capital Redemption Reserve Account were paid-up share capital of the company.

### **NEW CAPITAL SAME AS ORIGINAL CAPITAL**

12. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

### **RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES**

13. (1) The company shall not have power to buy its own shares unless the consequent reduction of share capital is effected in accordance with provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act as applicable at the time of application.

This Article is not to delegate any power which the Company would have if it were omitted.

(2) The company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company.

(3) Nothing in sub-clause (2) shall apply to –

- (a) the company in accordance with any scheme approved by company through special resolution and in accordance with such requirements as may be determined by Central Government, for the purchase of, or subscription for, fully paid up shares in the company or its holding company, if the purchase of, or the subscription for, the shares held by trustees for the benefit of the employees or such shares held by the employee of the company;
- (b) the giving of loans by a company to persons in the employment of the company other than its directors or key managerial personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the company or its holding company to be held by them by way of beneficial ownership:

Provided that disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be determined by Central Government.

#### **REDUCTION OF CAPITAL**

14. The Company may, subject to the provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act, as applicable at the time of application from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

#### **CONSOLIDATION AND DIVISION OF CAPITAL**

15. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:
- (a) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares but no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
  - (b) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
  - (c) Cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

#### **SALE OF FRACTIONAL SHARES**

16. If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any

person to transfer the shares and 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.

#### **MODIFICATION OF RIGHTS**

17. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of the Companies Act, 2013 be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of the class

#### **ISSUE OF FURTHER SHARES ON PARI PASSU BASIS**

18. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *paripassu* therewith.

#### **ISSUE WITH DISPROPORTIONATE RIGHTS**

19. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

#### **POWER OF COMPANY TO DEMATERIALIZE AND REMATERIALIZE**

- (a) “Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any”

### **DEMATERIALIZATION OF SECURITIES**

- (b) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

### **INTIMATION TO DEPOSITORY**

- (c) “Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities”

### **OPTION FOR INVESTORS**

- (d) “Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.”

### **THE COMPANY TO RECOGNIZE UNDER DEPOSITORIES ACT, INTEREST IN THE SECURITIES OTHER THAN THAT OF REGISTERED HOLDER**

- (e) “The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.”

### **SECURITIES IN DEPOSITORIES AND BENEFICIAL OWNERS**

- (f) “All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.”

### **RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS**

- (g) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

#### **DEPOSITORY TO FURNISH INFORMATION**

- (h) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

#### **SHARES AND CERTIFICATES**

##### **REGISTER AND INDEX OF MEMBERS**

20. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 88 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

#### **SHARES TO BE NUMBERED PROGRESSIVELY**

21. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

#### **DIRECTORS MAY ALLOT SHARES FULLY PAID-UP**

22. Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

#### **APPLICATION OF PREMIUM RECEIVED ON SHARES**

23. (1) Where a company issues shares at a premium, whether for cash or otherwise, as much equal to the aggregate amount of the premium received on those shares shall be transferred to a “securities premium account” and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this article, apply as if the securities premium account were the paid-up share capital of the company.
- (2) Notwithstanding anything contained in clause (1), the securities premium account may be applied by the company -
- (a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;
  - (b) in writing off the preliminary expenses of the company;
  - (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
  - (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or
  - (e) for the purchase of its own shares or other securities under section 68.

#### **ACCEPTANCE OF SHARES**

24. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

#### **LIABILITY OF MEMBERS**

25. Every member or his heir, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.



### **LIMITATION OF TIME FOR ISSUE OF CERTIFICATE**

26. The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a 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 to all such holder.

### **ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED**

27. If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.20/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

#### **RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED**

28. (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment not exceeding Rs.10/- (Rupees Ten) per page.
- (ii) The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.

#### **JOINT ALLOTTEES OF HOLDERS**

29. Any two or more joint allottees or holders of shares shall, for the purpose of Articles, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

#### **COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER**

30. (i) The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.
- (ii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim

or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

#### **WHO MAY HOLD SHARES**

31. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind.
32. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as “the Employees”) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

#### **SWEAT EQUITY**

33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

#### **DECLARATIONSIN RESPECT OF BENEFICIAL INTEREST IN ANY SHARES**

34. (1) In pursuance of Section 89 of the Act, where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration (within such time and in such form as may be determined by Central Govt.) to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.
- (2) Every person who holds or acquires a beneficial interest in share of the company shall make a declaration to the company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the company and such other particulars (as may be determined by Central Govt.)

- (3) Where any change occurs in the beneficial interest in such shares, the person referred to in clause (1) and the beneficial owner specified in clause (2) shall, within a period of thirty days from the date of such change, make a declaration to the company in such form and containing such particulars (as may be determined by Central Govt.)
- (4) The Company has be bound to follows the rules as may be made by the Central Government to provide for the manner of holding and disclosing beneficial interest and beneficial ownership under this section.
- (5) Where any declaration under this article is made to a company, the company shall make a note of such declaration in the register concerned and shall file, within thirty days from the date of receipt of declaration by it, a return in the prescribed form with the Registrar in respect of such declaration with such fees or additional fees as may be determined by Central Government, within the time specified under section 403.
- (6) No right in relation to any share in respect of which a declaration is required to be made under this article but not made by the beneficial owner, shall be enforceable by him or by any person claiming through him.
- (7) Nothing in this article shall be deemed to prejudice the obligation of a company to pay dividend to its members under this Act and the said obligation shall, on such payment,stand discharged.

## **FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY**

35. No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of provisions of the Companies Act, 2013 as may be applicable at the time of application and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

## **ISSUE OF SHARES WITHOUT VOTING RIGHTS**

36. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

## **SECTION 45 OF ACT NOT TO APPLY**

37. Notwithstanding anything to the contrary contained in the Articles,

- (i) Section 45 of the Act shall not apply to the Shares held with a Depository;

## **TRUST RECOGNIZED**

38. Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

## **REGISTRATION OF CHARGES**

39. The provisions of the Act relating to registration of charges shall be complied with.  
In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.

Where a charge is created in India but comprised property outside India, the instrument, creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 77 of the Act.

Where any charge on any property of the Company required to be registered to be registered under Section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

Any creditors or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.

## **UNDERWRITING AND BROKERAGE COMMISSION MAY BE PAID**

40. The Company may, subject to the provisions of Section 40 and other applicable provisions, if any, of the Act any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other subject to maximum of 5% of the share price or 2.5% in case of debenture, of the issued share or debenture price, as the case may be.

### **BROKERAGE MAY BE PAID**

41. The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

## **CALLS ON SHARES**

## **DIRECTORS MAY MAKE CALLS**

42. The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (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 a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

### **CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS**

43. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

### **NOTICE OF CALLS**

44. One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid.

### **CALLS TO DATE FROM RESOLUTION**

45. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

### **DIRECTORS MAY EXTEND TIME**

46. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

#### **CALL TO CARRY INTEREST AFTER DUE DATE**

47. If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

#### **PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES**

48. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is duly recorded in the minutes book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

#### **PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST**

49. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12% unless the company in general meeting shall otherwise direct, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.



## **FORFEITURE, SURRENDER AND LIEN**

### **IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN**

50. If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

### **FORM OF NOTICE**

51. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

### **IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED**

52. 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 all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

### **NOTICE OF FORFEITURE**

53. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

### **FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY**

54. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose off the same in such manner as it thinks fit.

### **POWER TO ANNUL FORFEITURE**

55. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

### **ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

56. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

### **EFFECT OF FORFEITURE**

57. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

### **PROCEEDS HOW TO BE APPLIED**

58. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

### **DECLARATION OF FORFEITURE**

59. (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, 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.

- (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
  - (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.
  - (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.
  - (e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.
60. The declaration as mentioned in Article 59 (a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

#### **TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES**

61. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee 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 with reference to the forfeiture, sale, re-allotment or disposal of the share.

### **PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE**

62. 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 Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

### **THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM**

63. The provisions of these Articles as to forfeiture shall apply to 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 Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **BOARD MAY ACCEPT SURRENDER OF SHARES**

64. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

### **COMPANY'S LIEN ON SHARE/DEBENTURES**

65. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. The registration of a transfer of shares/debentures shall not operate as a waiver of the Company's lien if any, on such shares/debentures unless otherwise agreed by the Board. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

### **ENFORCING LIEN BY SALE**

66. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member, his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for fourteen days after the date of such notice.

### **APPLICATION OF PROCEEDS OF SALE**

67. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

### **VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE**

68. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money 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 and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

### **BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES**

69. Where any shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

### **SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL**

70. For the purpose of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

### **TRANSFER AND TRANSMISSION OF SHARES**

#### **REGISTER OF TRANSFER**

71. The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

#### **EXECUTION OF TRANSFER**

72. Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

#### **INSTRUMENT OF TRANSFER**

73. Every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

#### **FORM OF TRANSFER**

74. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. The Company shall use a common form for transfer.

#### **NO TRANSFER TO A PERSON OF UNSOUND MIND, ETC**

75. No transfer shall be made to a minor or a person of unsound mind.

## **TRANSFER OF SHARES**

- 76.
- (i) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.
  - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
  - (iii) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

## **DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

77. Subject to the Provisions of Section 58 and 59, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

### **NO FEE ON TRANSFER OR TRANSMISSION**

78. No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

### **TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN**

79. Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

### **WHEN TRANSFER TO BE RETAINED**

80. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than eight years as it may determine.

### **DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES**

81. In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

### **TITLE TO SHARES OF DECEASED HOLDER**

82. Subject to Article 81, the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate, letters of administration or succession certificate.

### **REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER**

83. Subject to the provisions of the Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that sustains the character in



respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer

#### **CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE**

84. The person entitled to a share by reason of the death lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares 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 the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board shall thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been compelled with.

#### **TRANSMISSION OF SHARE**

85. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

### **BOARD MAY REFUSE TO TRANSMIT**

86. The Board shall have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

### **BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION**

87. Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

### **TRANSFER BY LEGAL REPRESENTATION**

88. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer.

### **CERTIFICATE OF TRANSFER**

89. The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures

### **THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER**

90. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission 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 the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and 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 books 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 Board shall so think fit.

### **NOMINATION**

91. (i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to
- whom his shares or debentures shall vest in the event of his death in such manner as may be determined by Central Government under the Act.
- (ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be determined by Central Government under the act.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares of debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be , all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be determined by Central Government under the Act.
- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

### **“Option of Nominee”**

92. (i) A nominee upon production of such evidence as may be required by the Board and subject as
- hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.

- (ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting 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 or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

#### **TRUST NOT RECOGNISED**

- 93. Save as herein otherwise provided, the Company shall be entitled to treat the person whose names appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

#### **TRANSFER OF SECURITIES**

- 94. Nothing contained in Section 56(1) of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

### **NOTICE OF APPLICATION WHEN TO BE GIVEN**

95. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

### **REFUSAL TO REGISTER NOMINEE**

96. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

### **PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER**

97. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

### **BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS**

98. Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than three persons.

### **JOINT HOLDERS**

99. If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof subject to the following and other provisions contained in these articles;

### **JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES**

- (a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

### **TITLE OF SURVIVORS**

- (b) On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it 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.

### **EFFECTUAL RECEIPTS**

- (c) Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

### **DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER**

- (d) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in the Articles and documents served on or sent to such person shall be deemed service on all the joint holders).

### **VOTES OF JOINT HOLDERS**

- (e) Any one or 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 than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally 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 an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased members in whose (deceased member's) sole name any shares stand shall for the purpose of this Article, be deemed joint holders.

### **CONVERSION OF SHARES INTO STOCK**

#### **SHARES MAY BE CONVERTED INTO STOCK**

100. The Board may, pursuant to Section 61 with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders

of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

### **RIGHTS OF STOCK-HOLDERS**

101. The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

### **MEETING OF MEMBERS**

102. (a) Subject to Section 96 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, provided also that the Register may, for any special reason, extend the time within which any annual general meeting shall be held by a period not exceeding three months.
- (b) Every Annual General Meeting shall be called for at a time during business hours that is between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.

103. The Company shall in accordance with Section 92 of the Act, within 60 days from the day on which the Annual General Meeting is held, prepare and file with the Registrar an annual return together with the copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this act, duly adopted at the Annual General Meeting of the company. A copy of the financial statements adopted at the Annual General Meeting shall be filed within 30 days of the annual general meeting in accordance with Section 137 of the Act.

#### **DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERAL MEETING**

104. The General Meeting referred to in Article 102 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

#### **CALLING OF EXTRA-ORDINARY GENERAL MEETING**

105. (1) The Board may, whenever it deems fit, call an extraordinary general meeting of the company.
- (2) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause (4).
- (3) The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.
- (4) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
- (5) A meeting under clause (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
- (6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) shall be reimbursed to the requisitionists by the company and the sums so paid shall



be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

### **LENGTH OF NOTICE FOR CALLING MEETING**

106. (1) A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be determined by Central Government:
- Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.
- (2) Every notice of a meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.
- (3) The notice of every meeting of the company shall be given to –
- (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
  - (b) the auditor or auditors of the company; and
  - (c) every director of the company.
- (4) Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

### **EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE / SPECIAL BUSINESS**

107. (1) Pursuant to section 102 a statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely: -
- (a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—
    - (i) every director and the manager, if any;
    - (ii) every other key managerial personnel; and
    - (iii) relatives of the persons mentioned in sub-clauses (i) and (ii);
  - (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.
- (2) For the purposes of clause (1),—

- (a) in the case of an annual general meeting, all business to be transacted thereat shall be deemed special, other than—
    - (i) the consideration of financial statements and the reports of the Board of Directors and auditors;
    - (ii) the declaration of any dividend;
    - (iii) the appointment of directors in place of those retiring;
    - (iv) the appointment of, and the fixing of the remuneration of, the auditors; And
  - (b) in the case of any other meeting, all business shall be deemed to be special:  
Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.
- (3) Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement under sub-clause (1).

108. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

### **QUORUM**

109. (1) The quorum for a General Meeting of the Company shall be as under:
- (i) five members personally present if the number of members as on the date of meeting is not more than one thousand; or
  - (ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; or
  - (iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; shall be the quorum for a meeting of the company.
- (2) 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 requisitionists 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.
- (3) 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.

#### **RESOLUTION PASSED AT ADJOURNED MEETING**

110. Where a resolution is passed at an adjourned meeting of –

- (a) a company; or
- (b) the holders of any class of shares in a company; or
- (c) the Board of Directors of a company,

the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.

#### **REGISTRATION OF RESOLUTIONS AND AGREEMENTS**

111. The Company shall comply with the provisions of Section 117 of the Act relating to registration of certain resolutions and agreements.

#### **POWER OF ADJOURN GENERAL MEETING**

112. (1) The Chairman of the General Meeting at which a quorum is present, and shall if so directed by the  
meeting, may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (2) 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.
- (3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

### **CHAIRMAN OF GENERAL MEETING**

113. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extra-ordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

### **BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILE CHAIR VACANT**

114. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

### **RESOLUTION MUST BE PROPOSED AND SECONDED**

115. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

### **POSTAL BALLOT**

116. (1) Notwithstanding anything contained in this Act, the company –
- (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and
  - (b) may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be determined by Central Government, instead of transacting such business at a general meeting.
- (2) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

### **DECLARATION OF CHAIRMAN TO BE CONCLUSIVE**

117. A declaration by the Chairman that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number of proportion of the votes cast in favour of or against such resolution

### **CIRCULATION OF MEMBERS' RESOLUTION**

118. (1) A company shall, on requisition in writing of such number of members, as required in section 100,—
- (a) give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting; and
  - (b) circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.
- (2) A company shall not be bound under this section to give notice of any resolution or to circulate any statement unless —
- (a) a copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the company,—
    - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting;
    - (ii) in the case of any other requisition, not less than two weeks before the meeting; and
  - (b) there is deposited or tendered with the requisition, a sum reasonably sufficient to meet the company's expenses in giving effect thereto:
- Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the company, an annual general meeting is called on a date within six weeks after the copy has been deposited, the copy, although not deposited within the time required by this sub-section, shall be deemed to have been properly deposited for the purposes thereof.
- (3) The company shall not be bound to circulate any statement as required by clause (b) of sub-section (1), if on the application either of the company or of any other person who claims to be aggrieved, the Central Government, by order, declares that the rights conferred by this section are being abused to secure needless publicity for defamatory matter.

- (4) An order made under sub-section (3) may also direct that the cost incurred by the company by virtue of this section shall be paid to the company by the requisitionists, notwithstanding that they are not parties to the application.

## **VOTES OF MEMBERS**

### **VOTES MAY BE GIVEN BY PROXY OR ATTORNEY**

119. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 113 of the Act.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights

Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

## **VOTES OF MEMBERS**

120. (1) Subject to the provisions of section 43 and sub-section (2) of section 50, -
- (a) every member of a company limited by shares and holding equity share capital therein, shall
    - have a right to vote on every resolution placed before the company; and
  - (b) his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company.
- (2) Every member of a company limited by shares and holding any preference share capital therein shall, in respect of such capital, have a right to vote only on resolutions placed before the company which directly affect the rights attached to his preference shares and, any resolution for the winding up of the company or for there payment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the company:
- Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares:

Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

#### **RIGHT OF MEMBER TO USE HIS VOTES DIFFERENTLY**

121. On a poll being taken at meeting of the Company, a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

#### **REPRESENTATION OF BODY CORPORATE**

122. Pursuant to section 113, a body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of members and creditors of the Company.

#### **REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS**

123. The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same.

A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.

#### **RESTRICTION ON EXERCISE OF VOTING RIGHT BY MEMBERS WHO HAVE NOT PAID CALLS**

124. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

## **RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID**

125. A member is not prohibited from exercising his voting right 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 Article 124.

## **HOW MEMBER NON-COMPOS MENTIS MAY VOTE**

126. If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

## **INSTRUMENT OF PROXY**

127. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it.

## **INSTRUMENT OF PROXY TO BE DEPOSITED AT OFFICE**

128. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

## **WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED**

129. 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 share in respect of which the vote 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 adjournment meeting at which the proxy is used.



### **FORM OF PROXY**

130. Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

### **TIME FOR OBJECTION TO VOTE**

131. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

### **CHAIRMAN OF ANY MEETING TO BE THE JUDGE OF VALIDITY OF ANY VOTE**

132. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

### **MEMBER PAYING MONEY IN ADVANCE NOT BE ENTITLED TO VOTE IN RESPECT THEREOF**

133. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights or participate in dividend or profits in respect of moneys so paid by him until the same would but for such payment become presently payable

### **DIRECTORS**

134. 1) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three nor more than fifteen.
- 2) The Persons named hereinafter are the Directors of the Company at the time of adoption of new set of Articles:-
- (1) Mr. Niraj Gemawat
  - (2) Mr. Indrajeet Mitra
  - (3) Mr. Chhaganraj Gemawat

### **INCREASE IN NUMBER OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION**

125. The appointment of the Directors exceeding 15 (fifteen) will be subject to the provisions of Section 149 of the Act.

#### **POWER OF DIRECTORS TO APPOINT ADDITIONAL DIRECTORS**

135. The Board of Directors shall have the power to appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

#### **ALTERNATE DIRECTORS**

136. The Board of Directors shall have the power to appoint a person, not being a person holding any alternate directorship for any other director in the company, to act as an alternate director for a director during his absence for a period of not less than three months from India:
- Provided that 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 this Act:
- Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India:
- Provided also that if the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original, and not to the alternate director.

#### **NOMINEE DIRECTORS**

137. The Board shall have the power to appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company.
- 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, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board:
- Provided that any person 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.
138. A Director need not hold any qualification shares.

### **REMUNERATION OF DIRECTORS**

139. (1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment not a Managing Director may be paid remuneration.
- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government: or
- (ii) by way of commission if the Company by a special resolution authorises such payments.
- (3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 2013 and rules, if any, framed there under.
- (4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided subject to the provision of Section 197(4) of the Act.

### **INCREASE IN REMUNERATION OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION**

140. Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the

articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

#### **TRAVELLING EXPENSES INCURRED BY A DIRECTOR NOT A BONAFAIDE RESIDENT OR BY DIRECTOR GOING OUT ON COMPANY'S BUSINESS**

141. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, 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.

#### **DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY**

142. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company but for no other purpose.

#### **DISCLOSURE OF INTEREST OF DIRECTORS**

143. (1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be determined by central government.

- (2) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—
- (a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
  - (b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be,
- shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:
- Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forth with when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.
- (3) A contract or arrangement entered into by the company without disclosure under subsection (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.
- (4) Nothing in this Article-
- (a) shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;
  - (b) shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two per cent. of the paid-up share capital in the other company.

#### **INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARD'S PROCEEDINGS**

144. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor

shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

**BOARD'S SANCTION TO BE REQUIRED FOR CERTAIN CONTRACTS IN WHICH  
PARTICULAR DIRECTOR IS INTERESTED**

145. (1) Except with the consent of the Board of Directors of the Company and of the Shareholders where

applicable, the Company, shall not enter into any contract with a Related Party in contravention of Section 188 of the Act and the Rules made thereunder—

- (i) for the sale, purchase or supply of any goods, materials or services; or
- (ii) selling or otherwise disposing of, or buying, property of any kind;
- (iii) leasing of property of any kind;
- (iv) availing or rendering of any services;
- (v) appointment of any agent for purchase or sale of goods, materials, services or property;
- (vi) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
- (vii) underwriting the subscription of any securities or derivatives thereof, of the

Company:

- (2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.
- (3) Notwithstanding anything contained in clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act. (S.188 (3))
- (4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract

is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act.

- (5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.

### **SPECIAL DIRECTOR**

146. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as “collaborator” to appoint from time to time any person as director of the company (hereinafter referred to as “special director”) and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.

### **DIRECTORS’ SITTING FEES**

147. The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be determined by the Central Government for each of the meetings of the Board or A committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

## **DIRECTORS AND MANAGING DIRECTOR MAY CONTRACT WITH COMPANY**

148. Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered Into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 188 of the Act and in this respect all the provisions of Section 179, 180, 184, 185, 186, 188, 189 and 196 of the Act shall be duly observed and complied with.

## **DISQUALIFICATION OF THE DIRECTOR**

149. (1) A person shall not be eligible for appointment as a director of a company, if -

- (a) he is of unsound mind and stands so declared by a competent court;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudicated as an insolvent and his application is pending;
- (d) he has been 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 and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

- (e) an order disqualifying him for appointment as a director has been passed by a Court or Tribunal and the order is in force;
- (f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- (g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
- (h) he has not complied with sub-section (3) of section 152.

(2) No person who is or has been a director of a company which -



- (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
- (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

### **DIRECTORS VACATING OFFICE**

150. The office of a Director shall be vacated if :

- (i) he is found to be of unsound mind by a Court of competent jurisdiction;
- (ii) he applied to be adjudicated an insolvent;
- (iii) he is adjudicated an insolvent;
- (iv) he is convicted by a Court, of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
- (v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;
- (vi) 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;
- (vii) he is removed in pursuance of Section 169 of Act;
- (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
- (ix) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (x) 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.

## **DIRECTOR MAY BE DIRECTOR OF COMPANIES PROMOTED BY THE COMPANY**

151. Subject to provisions of Section 203 of the Act, a Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or Shareholder of such company except in so far Section 197 or Section 188 of the Act may be applicable.

## **RETIREMENT AND ROTATION OF DIRECTORS**

### **RETIREMENT OF DIRECTORS BY ROTATION**

152. (1) (a) At every Annual General Meeting, not less than two-thirds of the total number of directors of a company shall -
- (i) be persons whose period of office is liable to determination by retirement of directors by rotation; and
  - (ii) save as otherwise expressly provided in this Act, be appointed by the company in general meeting.
- (b) The remaining directors in the case of any such company shall, in default of, and subject to any regulations in the articles of the company, also be appointed by the company in general meeting.
- (c) At the first annual general meeting of a public company held next after the date of the general meeting at which the first directors are appointed in accordance with clauses (a) and (b) and at every subsequent annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office.
- (d) The directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
- (e) At the annual general meeting at which a director retires as aforesaid, the company may fill up the vacancy by appointing the retiring director or some other person thereto.
- (2)(a) If the vacancy 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 vacancy of the retiring director is not filled up and that meeting also 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—

1. at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost;
2. the retiring director has, by a notice in writing addressed to the company or its Board of directors, expressed his unwillingness to be so re-appointed;
3. he is not qualified or is disqualified for appointment;
4. a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or
5. section 162 is applicable to the case.

#### **APPOINTMENT OF DIRECTOR TO BE VOTE INDIVIDUALLY**

153. (1) At a general meeting of a company, a motion for the appointment of two or more persons as directors of the company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.
- (2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when it was moved.
- (3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.
154. (1) A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be determined by central government which shall be refunded to such person or, as the case may be, to the member, if the person proposed gets elected as a director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.

- (2) The company shall inform its members of the candidature of a person for the office of director under sub-section (1) in such manner as may be determined by central government.

### **RESIGNATION OF DIRECTOR**

155. (1) A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the Registrar in such manner, within such time and in such form as may be determined by central government and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the company: Provided that a director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within thirty days of resignation in such manner as may be determined by Central Government.
- (2) The resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later: Provided that the director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.
- (3) Where all the directors of a company resign from their offices, or vacate their offices under Section 167 of the Act, the promoter or, in his absence, the Central Government shall appoint the required number of directors who shall hold office till the directors are appointed by the company in general meeting.

### **REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR**

156. The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary and key managerial personnel of the Company containing the particulars as required by Section 170 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager, Secretary and key managerial personnel or any of the particulars contained in the register as required by Section 170 of the Act.

### **APPOINTMENT OF TECHNICAL OR EXECUTIVE DIRECTORS**

157. a) The Board of Directors shall have the right from time to time to appoint any person or persons as

Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.

- b) Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and 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 had not been vacated as aforesaid.

## **REMOVAL OF DIRECTORS**

### **REMOVAL OF DIRECTORS**

158. (1) A company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242, before the expiry of the period of his office after giving him a reasonable opportunity of being heard:
- Provided that nothing contained in this sub-section shall apply where the company has availed itself of the option given to it under section 163 to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.
- (2) A special notice shall be required of any resolution, to remove a director under this section, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.
- (3) On receipt of notice of a resolution to remove a director under this section, the company shall forthwith send a copy thereof to the director concerned, and the director, whether or not he is a member of the company, shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice has been given of a resolution to remove a director under this section and the director concerned makes with respect thereto representation in writing to the company and requests its notification to members of the company, the company shall, if the time permits it to do so,—

- (a) in any notice of the resolution given to members of the company, state the fact of the representation having been made; and
- (b) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company),

and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

- (5) A vacancy created by the removal of a director under this section may, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-section (2).
- (6) A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
- (7) If the vacancy is not filled under sub-section (5), it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.

- (8) Nothing in this section shall be taken -
  - (a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
  - (b) as derogating from any power to remove a director under other provisions of this Act.

### **ELIGIBILITY FOR RE-ELECTION**

159. A retiring Director shall be eligible for re-election.

### **PROCEEDINGS OF DIRECTORS**

## MEETINGS OF BOARD

160. (1) 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 intervene between two consecutive meetings of the Board:

Provided that the Central Government may, by notification, direct that the provisions of this sub-section shall not apply in relation to any class or description of companies or shall apply subject to such exceptions, modifications or conditions as may be specified in the notification.

- (2) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be determined by central government, which are capable of recording and recognizing the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:

Provided that the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means.

- (3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means:

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.

## QUORUM

161. (1) The quorum for a meeting of the Board of Directors of a company shall be one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under this sub-section.

- (2) The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the

number of directors to that fixed for the quorum, or of summoning a general meeting of the company and for no other purpose.

- (3) Where at any time the number of interested directors exceeds or is equal to twothirdsof the total strength of the Board of Directors, the number of directors who are notinterested directors and present at the meeting, being not less than two, shall be the quorumduring such time.
- (4) Where a meeting of the Board could not be held for want of quorum, then, unless the articles of the company otherwise provide, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

#### **DECISION OF QUESTIONS**

162. Subject to the provisions of the Act, question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

#### **BOARD MAY APPOINT CHAIRMAN, CO-CHAIRMAN AND VICE CHAIRMAN**

163. The Board may elect a Chairman, a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his absence the Co-Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors, or if at any Meeting neither of these shall be present within fifteen minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the Meeting.

#### **POWER OF BOARD MEETING**

164. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.
165. Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other



person as it thinks fit and it may from time to time revoke and discharge any such committee of the Board so formed, shall in the exercise of the power so delegated confirm to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

#### **MEETING OF THE COMMITTEE HOW TO BE GOVERNED**

166. The meeting and proceedings of any such Committee of the Board consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

#### **DEFECTS IN APPOINTMENT OF DIRECTORS NOT TO INVALIDATE ACTIONS TAKEN**

167. No act done by a person as a director shall be deemed to be invalid, notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in this Act or in the articles of the company: Provided that nothing in this section shall be deemed to give validity to any act done by the director after his appointment has been noticed by the company to be invalid or to have terminated.

#### **PASSING OF RESOLUTION BY CIRCULATION**

168. (1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be determined by Central Government and has been approved by a majority of the directors or members, who are entitled to vote on the resolution: Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.
- (2) A resolution under sub-section (1) above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

#### **SPECIAL NOTICE**

169. Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

#### **GENERAL POWERS OF THE BOARD**

170. (1) The Board of Directors of a company shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorized to exercise and do:
- Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the memorandum or articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the company in general meeting:
- Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the memorandum or articles of the company or otherwise, to be exercised or done by the company in general meeting.
- (2) No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

#### **CERTAIN POWERS TO BE EXERCISED BY THE BOARD ONLY AT MEETINGS**

171. The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely: -
- (a) to make calls on shareholders in respect of money unpaid on their shares;
  - (b) to authorize buy-back of securities under section 68;
  - (c) to issue securities, including debentures, whether in or outside India;
  - (d) to borrow monies;
  - (e) to invest the funds of the company;
  - (f) to grant loans or give guarantee or provide security in respect of loans;
  - (g) to approve financial statement and the Board's report;
  - (h) to diversify the business of the company;

- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) to make political contributions;
- (l) to appoint or remove key managerial personnel (KMP);
- (m) to take note of appointment(s) or removal(s) of one level below the Key Managerial Personnel;
- (n) to appoint internal auditors and secretarial auditor;
- (o) to take note of disclosure of director's interest and shareholding;
- (p) to buy, sell investments held by the company (other than trade investments) constituting five percent or more of the paid up share capital and free reserve of the investee company;
- (q) to invite and accept or renew public deposits and related matters;
- (r) to review or change the terms and conditions of public deposit;
- (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of directors, the managing director, the manager or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify:

Nothing in this section shall be deemed to affect the right of the company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in this section.

### **RESTRICTIONS ON POWERS OF BOARD**

172. (1) The Board of Directors of a company shall exercise the following powers only with the consent of the company 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.
  - (b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
  - (c) 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 withdrawable 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.

(d) 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) shall specify the total amount up to which monies may be borrowed by the Board of Directors.

(3) Nothing contained in clause (a) of sub-section (1) shall affect -

(a) the title of a buyer or other person who buys or takes on lease any property, investment or undertaking as is referred to in that clause, in good faith; or

(b) the sale or lease of any property of the company where the ordinary business of the company consists of, or comprises, such selling or leasing.

(4) Any special resolution passed by the company consenting to the transaction as is referred to in clause (a) of sub-section (1) may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions:

Provided that this sub-section shall not be deemed to authorise the company to effect any reduction in its capital except in accordance with the provisions contained in this Act.

(5) No debt incurred by the company in excess of the limit imposed by clause (c) of sub-section (1) shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

#### **POWER TO BORROW**

173. Subject to the provisions of Sections 73 and 180 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment or any sum or sums of money for the purposes of the Company.

174. All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in these Articles shall equally apply to deposit holder(s) and the provisions of Section 72 of the Act shall also apply.

#### **THE PAYMENT OR REPAYMENT OF MONEYS BORROWED**

175. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

#### **BONDS, DEBENTURES, ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS**

176. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

#### **CONDITION ON WHICH MONEY MAY BE BORROWED**

177. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

## **TERMS OF ISSUE OF DEBENTURES**

178. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

### **DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED**

179. (1) A company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption:  
Provided that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.
- (2) No company shall issue any debentures carrying any voting rights.
- (3) Secured debentures may be issued by a company subject to such terms and conditions as may be determined by central government.
- (4) Where debentures are issued by a company under this section, the company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilized by the company except for the redemption of debentures.
- (5) No company shall issue a prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, unless the company has, before such issue or offer, appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be determined by Central Government.
- (6) A debenture trustee shall take steps to protect the interests of the debenture holders and redress their grievances in accordance with such rules as may be determined by Central Government.
- (7) Any provision contained in a trust deed for securing the issue of debentures, or in any contract with the debenture-holders secured by a trust deed, shall be void in so far as it would have the effect of exempting a trustee thereof from, or indemnifying him against, any liability for breach of trust, where he fails to show the degree of care and due diligence required of him as a trustee, having regard to

the provisions of the trust deed conferring on him any power, authority or discretion:

Provided that the liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than three fourths in value of the total debentures at a meeting held for the purpose.

- (8) A company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.
- (9) Where at any time the debenture trustee comes to a conclusion that the assets of the company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the Tribunal and the Tribunal may, after hearing the company and any other person interested in the matter, by order, impose such restrictions on the incurring of any further liabilities by the company as the Tribunal may consider necessary in the interests of the debenture-holders.
- (10) Where a company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due, the Tribunal may, on the application of any or all of the debenture-holders, or debenture trustee and, after hearing the parties concerned, direct, by order, the company to redeem the debentures forthwith on payment of principal and interest due thereon.
- (11) If any default is made in complying with the order of the Tribunal under this section, every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than two lakh rupees but which may extend to five lakh rupees, or with both.
- (12) A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.
- (13) The Central Government may prescribe the procedure, for securing the issue of debentures, the form of debenture trust deed, the procedure for the debenture-holders to inspect the trust deed and to obtain copies thereof, quantum of debenture redemption reserve required to be created and such other matters.

#### **EXECUTION OF INDEMNITY**

180. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

#### **CERTAIN POWERS OF THE BOARD**

181. Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

- 1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.
- 2) Subject to Sections 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
- 3) At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charges upon all or any part of the property of the Company including its uncalled capital or not so charges.
- 4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- 5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from



time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.

- 6) To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.
- 7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- 8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.
- 9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.
- 10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- 11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- 12) To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
- 13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it

may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be thought fit.

- 14) Subject to the provisions of Sections 179, 180, 185 of Act and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.
- 15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- 16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
- 17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.
- 18) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.

- 19) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion think conducive to the interest of the Company and subject to the provisions of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.
- 20) To pay and charge to the capital account of the Company any commission or interest lawfully payable under the provisions of the Act and of the provision contained in these presents.
- 21) From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.
- 22) To redeem redeemable preference shares.

- 23) Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- 24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

### **APPOINTMENT OF INDEPENDENT DIRECTOR**

182. Pursuant to Section 149 and rules as may be applicable and subject to the provisions of Schedule IV the

company shall appoint such number of independent directors from time to time as may be determined by the Central Government.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of Section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

Notwithstanding anything contained in this Act -

(i) an independent director;

(ii) a non-executive director not being promoter or key managerial personnel,

shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

## **KEY MANAGERIAL PERSONNEL**

### **APPOINTMENT OF KEY MANAGERIAL PERSONNEL**

183. (1) Subject to the provisions of Sections 203 and other applicable provisions, if any of the Act,

Company shall appoint whole-time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.

- (2) A whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time:

Provided that nothing contained in this sub-clause shall disentitle a key managerial personnel from being a director of any company with the permission of the Board.

Provided further that whole-time key managerial personnel holding office in more than one company at the same time on the date of commencement of this Act, shall, within a period of six months from such commencement, choose one company, in which he wishes to continue to hold the office of key managerial personnel.

Provided also that a company may appoint or employ a person as its managing director, if he is the managing director or manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.

- (3) If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

### **REMUNERATION OF KEY MANAGERIAL PERSONNEL**

184. The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

#### **DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR**

185. Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

#### **CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS**

186. No company shall appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager 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 seventy 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 as 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 offence and sentenced for a period of more than six months.
- A person shall not be eligible for appointment as a director of a company if such person suffers any of the disqualifications provided under Section 164 of the Act.
187. Special to any contract between him and the Company, a Managing or Whole time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

188. The Company shall not appoint or employ at the same time more than one of the following categories of

managerial personnel namely:-

- a) Managing Director and
- b) Manager.

and shall duly observe the provisions of Section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

#### **THE SECRETARY**

189. The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 203 of the Act.

#### **THE SEAL, ITS CUSTODY AND USE**

190. The Board of Directors 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 thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

#### **MINUTES**

191. (1) The Company shall cause minutes of all proceedings of every General Meeting and all proceedings

of every meeting of its Board of /directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that, their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last Page of the record of proceedings of each meeting in such books shall be dated and signed.

- (a) in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairman of the next succeeding meeting.
- (b) In the case of minutes of proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.
192. Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 191 above, shall be evidence of the proceedings recorded therein.
193. Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of Article 192 above then, until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.
194. (1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday
- (2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred above on payment of such sum not exceeding Ten Rupees for every page thereof required to be copied.
- (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.



- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (6) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain -
  - (a) the names of the directors present at the meeting; and
  - (b) in the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring with the resolution.
- (7) Nothing contained in clauses (1) to (6) there shall not be included in the minutes, any matter which, in the opinion of the Chairman 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.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matters in the minutes on the grounds specified in this clause.

#### **PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED.**

195. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or a Committee of the Board have been kept in accordance with the provisions of Section 118 of the act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of directors of Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

#### **DIVIDENDS**

196. (1) No dividend shall be declared or paid by a company for any financial year except -
- (a) out of the profits of the company for that year arrived at after providing for depreciation or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or

- (b) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government:

Provided that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company:

Provided further that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be determined by Central Government in this behalf:

Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves.

- (2) The depreciation shall be provided in accordance with the provisions of Schedule II of the Act.

- (3) The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared:

Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

- (4) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.

- (5) No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash:

Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company:

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

- (6) A company which fails to comply with the provisions of sections 73 and 74 shall not, so long as such failure continues, declare any dividend on its equity shares.

### **DIVIDEND TO JOINT HOLDERS**

197. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
198. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

No amount paid or credited as paid on a share in advance of calls shall be treated as paid up on the share.

### **APPORTIONMENT OF DIVIDENDS**

199. All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares, during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

### **DECLARATION OF DIVIDENDS**

200. The Company in General Meeting may, subject to the provisions of Section 123 of the Act, declare a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

### **RESTRICTION ON AMOUNT OF DIVIDEND**

201. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

### **DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST**

202. (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 123 of the Act.
- (2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

### **INTERIM DIVIDENDS**

203. The Board of Directors may from time to time pay the members such interim dividends as appears to it to be justified by the profits of the Company in accordance with Section 123 of the Act.

### **DEBTS MAY BE DEDUCTED**

204. The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

### **DIVIDEND AND CALL TOGETHER**

205. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call.

### **EFFECT OF TRANSFER**

206. Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 126 of the Act.

### **RETENTION IN CERTAIN CASES**

207. The Board may retain the dividends payable upon shares in respect of which any person is, under Articles entitled to become a Member, which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

### **NO MEMBER TO RECEIVE INTEREST OR DIVIDEND WHILST INDEBTED TO THE COMPANY AND COMPANY'S RIGHT TO REIMBURSEMENT THERE OUT**

208. No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due from him to the Company.

### **PAYMENT BY POST**

209. Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

#### **DIVIDEND TO BE PAID WITHIN THIRTY DAYS**

210. The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless:

- (a) the dividend could not be paid by reason of the operation of any law or
- (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions cannot be complied with or
- (c) there is dispute, regarding the right to receive the dividend or
- (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
- (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

#### **UNPAID OR UNCLAIMED DIVIDEND**

211. (1) Where a dividend has been declared by a company but has not been paid or claimed within thirty

days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

- (2) The company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and

place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be determined by central government.

- (3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall endure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.
- (4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account of the company may apply to the company for payment of the money claimed.
- (5) Any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.
- (6) All shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be determined by central government and that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law:

Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be determined by Central Government.

#### **CAPITALIZATION OF RESERVES**

- 212. (a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the

share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:

- (1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or
  - (2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or
  - (3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.
- (b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and
- (2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.
- (c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.
- (d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient

and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

- (e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he 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 of invalidity in the proceedings with reference to the sale.
- (f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Companies Act 2013 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.



### **FRACTIONAL CERTIFICATES**

213. (1) 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 and
  - (b) Generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power:
- (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
  - (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 thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.
- (3) Any agreement made under such authority shall be effective and binding on all such Members.
- (4) that for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the
- Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

### **DIVIDEND IN CASH**

214. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
215. The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

## **BOOKS OF ACCOUNTS**

### **BOOKS OF ACCOUNTS TO BE KEPT**

216. The Company shall cause to be kept proper books of account with respect to:

- (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
- (ii) all sales and purchases of goods and services by the company;
- (iii) the assets and liabilities of the company; and
- (iii) the items of cost as may be determined by Central Government under section 148 in the case of a company which belongs to any class of companies specified under that section;

### **BOOKS WHERE TO BE KEPT AND INSPECTION**

217. (1) Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place. The company may keep such books of account or other relevant papers in electronic mode in such manner as may be determined by Central Government.

- (2) Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-clause (1), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-clause (1).
- (3) The books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order.

- (4) The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed.

#### **INSPECTION BY MEMBERS**

218. The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

#### **TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED**

219. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

If the transfer books have not been closed at any time during a year, the Company shall at least once a year, close the books at the time of its Annual General Meeting. The minimum time gap between the two book closures and/or record dates would be at least 30 (thirty) days.

#### **STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING**

220. The Board of Directors shall from time to time, in accordance with Sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

#### **FINANCIAL STATEMENT**

221. Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act.

If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

### **AUTHENTICATION OF FINANCIAL STATEMENT**

222. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon. Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

### **BOARD'S REPORT TO BE ATTACHED TO FINANCIAL STATEMENT**

223. Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company or Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest. The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report. The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of Article 229. Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

### **RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITOR'S REPORT**

224. A copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A

statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to:

(a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware;

(b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

#### **A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR**

225. After the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

#### **RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT**

226. (1) Without prejudice to the provisions of Section 101, a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting.

The provisions of this clause shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements.

The Central Government may prescribe the manner of circulation of financial statements of companies having such net worth and turnover as may be determined by Central Government and company shall also place its financial statements including consolidated financial statements, if any, and all other documents required to be attached thereto, on its website, which is maintained by or on behalf of the company.

Provided also that every subsidiary or subsidiaries shall -

- (a) place separate audited accounts in respect of each of its subsidiary on its website, if any;
  - (b) provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it.
- (2) A company shall allow every member or trustee of the holder of any debentures issued by the company to inspect the documents stated under sub-clause (1) at its registered office during business hours.

#### **ACCOUNTS TO BE AUDITED**

227. (1) Once at least in every year the accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.
- (2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

#### **APPOINTMENT OF AUDITORS**

228. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 143, 145 and 146 of the Act and rules made thereunder.
- (2) The Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be according to the provisions of the Act.
- Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting.
- Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in

accordance with the conditions as may be determined by central government, shall be obtained from the auditor:

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141:

Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.

(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:

- (a) he is not disqualified for re-appointment;
- (b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and
- (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.

(4) The company shall not appoint or reappoint -

- (a) an individual as auditor for more than one term of five consecutive years; and
- (b) an audit firm as auditor for more than two terms of five consecutive years:

Provided that—

- (i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term.
- (ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.

(5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.

### **POWER OF BOARD TO MODIFY FINAL ACCOUNTS**

229. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the

Company in General Meeting shall be conclusive.

### **DOCUMENTS AND NOTICE**

#### **SERVICES OF DOCUMENTS ON MEMBER BY COMPANY**

230. Save as provided in this Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be determined by Central Government: Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

#### **SERVICE OF DOCUMENTS ON COMPANY**

231. A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be determined by central government: Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

#### **“Service of documents on the Company”**

232. Where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or other mode in accordance with the Act and rules made thereunder.

#### **AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS**

233. Save as otherwise expressly provided in the Act, the rules made thereunder and these Articles, a document or proceeding requiring authentication by a company; or contracts made by or on behalf of a company, may be signed by any key managerial personnel or an officer of the company duly authorized by the Board in this behalf.

#### **REGISTERS AND DOCUMENTS**

##### **REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY**

234. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:
- (a) Register of investments made by the Company but not held in its own name, as required by Section 187(3) of the Act.
  - (b) Register of mortgages and charges as required by Section 85 of the Act.
  - (c) Register and index of Member and debenture holders as required by Section 88 of the Act.



- (d) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act.
- (e) Register of Directors and key managerial personnel and their shareholding under Section 170 of the Act.
- (f) Register of loans, guarantee, security and acquisition made by the company under Section 186 (9) of the Act.
- (g) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto.

#### **MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM**

235. Without prejudice to any other provisions of this Act, any document, record, register, minutes,

etc.,—

- (a) required to be kept by a company; or
- (b) allowed to be inspected or copies to be given to any person by a company under this Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by the Central Government.

#### **INDEMNITY**

236. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### **WINDING UP**

##### **DISTRIBUTION OF ASSETS**

237. (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.

- (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act.
- (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

#### **RIGHT OF SHAREHOLDERS IN CASE OF SALE**

238. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to provisions of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction

#### **SECRECY CLAUSE**

239. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or 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, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.
240. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the

Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

#### **KNOWLEDGE IMPLIED**

241. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all the contents of these presents.

## **Section X: Other Information**

### **Material Contracts and Documents for Inspection**

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before this Prospectus), which are or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred under material documents below all of which have been attached to the copy of this Prospectus and have been delivered to the SME platform of BSE Limited and may be inspected at the Registered Office of the Company situated at B-11 Corporate house S.G. Highway, Bodakdev Ahmedabad-380054, Gujarat, between 10:30 am to 5:30 pm on any working day from the date of this Prospectus until the date of closure of the subscription List.

#### **Material Contracts**

1. Memorandum of Understanding dated February 12, 2016 between our Company and the Lead Manager to the Issue.
2. Memorandum of Understanding dated February 08, 2016 between our Company and Bigshare Services Private Limited to appoint them as the Registrar to the Issue.
3. Market Making Agreement dated February 12, 2016 between our Company, Lead Manager and Market Maker.
4. Underwriting Agreement dated February 12, 2016 between our Company and Underwriter.
5. Copy of tripartite agreement dated March 01, 2016 between NSDL, our Company and Bigshare Services Private Limited
6. Copy of tripartite agreement dated February 08, 2016 between CDSL, our Company and Bigshare Services Private Limited.
7. Public Issue Account Agreement dated March 17, 2016 between our Company, the Lead Manager, Banker to the Issue and Registrar to the Issue.

#### **Material Documents**

8. Memorandum and Articles of Association of our Company as amended from time to time.
9. Copy of Certificate of Incorporation of our Company.
10. Copy of the resolution passed at the meeting of the Board of Directors held on January 09, 2016 approving the issue.
11. Copy of the resolution passed by the shareholders of our Company under section 62(1) (c) at the EGM held on January 30, 2016.
12. Consents of the Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Lead Manager to the Issue, Underwriter, Market Maker, Banker to the Issue, Registrar to the Issue and Legal Advisor to the Issue to include their names in the Draft Prospectus/Prospectus to act in their respective capacities.
13. Copies of Auditor's Reports of our Company for the period ended February 15, 2016.
14. Audit report and restated financial information issued by Peer Review Auditor i.e. M/s. R.T. Jain & Co, Chartered Accountants, dated February 26, 2016 included in this Prospectus.

15. Letter dated February 26, 2016 from the Peer Review Auditors i.e. M/s. R.T. Jain & Co, Chartered Accountants, detailing the tax benefits.
16. Copy of certificate from the Statutory Auditor of our Company, M/s. Samir M. Shah & Associates, Chartered Accountants, dated February 13, 2016 regarding the sources and deployment of funds as on February 13, 2016.
17. Due Diligence Certificate dated March 02, 2016 to be submitted to BSE and Due Diligence Certificate dated March 18, 2016 to be submitted to SEBI from Lead Manager viz. Guinness Corporate Advisors Private Limited along with the filing of the Prospectus.
18. Copy of approval from BSE vide letter dated March 15, 2016 to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.
19. Copy of EGM resolution dated January 30, 2016 appointing Mr. Niraj C. Gemawat as the Managing Director of our Company for period of 5 years w.e.f. 01.02.2016.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## Declaration

All the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in this Prospectus are true and correct.

**Signed by all the Directors of our Company:**

Name and Designation	Signature
Mr. Niraj C. Gemawat (Managing Director)	Sd/-
Mr. Indrajeet A. Mitra (Non-Executive Director)	Sd/
Mr. Vipin Moharir (Non-Executive Director)	Sd/
Ms. Rachana N. Gemawat (Non-Executive Director)	Sd/
Mr. Hursh P. Jani (Non-Executive Independent Director)	Sd/
Mr. Bhushan Saluja (Non-Executive Independent Director)	Sd/
Mr. Parminder Singh S. Chhabda (Non-Executive Independent Director)	Sd/
Mr. Vishal R. Shah (Non-Executive Independent Director)	Sd/

## SIGNED BY COMPANY SECRETARY & COMPLIANCE OFFICER AND CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Sd/-  
Mr. Mukesh Jiwnani  
(Company Secretary & Compliance Officer)

Sd/-  
Mr. Bharat B. Thaker  
(Chief Financial Officer)

**Date:** March 18, 2016  
**Place:** Ahmedabad