



**HUSYS CONSULTING LIMITED**

Our Company was incorporated as Husys Consulting Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated August 24, 2005 in Hyderabad, Subsequently, our Company was converted into public limited company pursuant to which the name of our Company was changed to "Husys Consulting Limited" vide fresh certificate of incorporation dated August 06, 2015. Our Company got listed on Emerge Institutional Trading Platform of National Stock Exchange of India Limited (NSE) on August 21, 2015. Further, our Company has made an application for delisting from on Emerge Institutional Trading Platform of NSE vide letter dated April 25, 2016. For further details please refer to chapter titled 'Our History and Certain Other Corporate Matters' beginning on page 117 of this Draft Prospectus.

**Registered Office:** 1-8-505/D/E/A, Husys House, Prakash Nagar Extension, Begumpet, Hyderabad- 500016, Telengana, India.

**Tel No:** +91- 40 6519 5632; **E-mail:** corp.affairs@husys.net; **Website:** www.husys.net

**Contact Person:** Mr. Francis Paul, Chief Financial Officer

**Promoters of our Company:** Mr. Gundlapally Ramalinga Reddy and Mrs. Gundlapally Praveena

**THE ISSUE**

**PUBLIC ISSUE OF 6,08,000 EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH FULLY PAID UP OF HUSYS CONSULTING LIMITED ("HUSYS" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. 86/- PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF Rs. 76/- PER EQUITY SHARE AGGREGATING Rs. 522.88 LAKHS (THE "ISSUE") BY OUR COMPANY, OF WHICH 32,000 EQUITY SHARES OF Rs.10/- FULLY PAID UP EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 5,76,000 EQUITY SHARES OF Rs.10/- EACH FULLY PAID UP IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.65% AND 25.25% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS Rs. 10/- EACH. THE ISSUE PRICE IS Rs. 86/- THE ISSUE PRICE IS 8.6 TIMES THE FACE VALUE.**

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

*For further details please refer to "Section VII - Issue Information" beginning on Page 207 of this Draft Prospectus.*

All potential investors shall participate in the Issue through Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 213 of this Draft Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10/- and the Issue Price is 8.6 times of the face value. The Issue Price (as determined and justified by the Company and the Lead Manager as stated under chapter titled "Basis for Issue Price" beginning on page 87 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**



Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 20 of this Draft Prospectus.

**COMPANY'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the NSE Emerge Platform. 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 offered in this issue. However, our Company has received an approval letter dated [•] from NSE for using its name in this offer document for listing of our Equity Shares on the NSE Emerge Platform. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>SARTHI CAPITAL ADVISORS PRIVATE LIMITED</b> 159/11, Amar Brass Compound, Vidyanagari Marg, Kalina, Santacruz (E), Mumbai - 400098 <b>Tel:</b> (022) 26528671/72 <b>Fax:</b> (022) 26528673 <b>Investor Grievance Email:</b> ipo@sarthiwm.in <b>Website:</b> www.sarthi.in <b>Contact Person:</b> Mr. Deepak Sharma <b>SEBI Registration No.:</b> INM000012011</p>	 <p><b>KARVY COMPUTERSHARE PRIVATE LIMITED</b> Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-5000032. <b>Tel:</b> +91-040-6716 2222 <b>Fax:</b> +91-040- 2343 1551 <b>E-mail:</b> einward.ris@karvy.com <b>Website:</b> www.karisma.karvy.com <b>Contact Person:</b> Mr. M. Murli Krishna <b>SEBI Registration No.:</b> INR000000221</p>

**ISSUE PROGRAMME**

<b>ISSUE OPENS ON : [•]</b>	<b>ISSUE CLOSES ON : [•]</b>
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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, — U.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulations under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

Company Related Terms	
Term	Description
Articles or Articles of Association or AOA	The articles of association of our Company, as amended from time to time
Auditor or Statutory Auditor	The auditor of our Company, being JBRK & Co., Chartered Accountants having their office at 118, Maruthi Complex, 5th Floor, Raj Bhavan Road, Somajiguda, Hyderabad – 500033, Telangana.
Bankers to our Company	Bank of India
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof.
Company Secretary and Compliance Officer	Ms. Harshita Jain
Director(s)	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each.
Equity Shareholders	Persons holding equity shares of our Company.
Group Companies	Includes those companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under the Companies Act, 2013 and disclosed in the chapter titled “Our Group Entities” beginning on page 138 of this Draft Prospectus.
“Husys Consulting Limited.”, or “Husys”, or “the Company”, or “our Company” or “we”, “us”, or “our” and the “Issuer Company”	Husys Consulting Limited, a public limited company incorporated under the provisions of the Companies Act, 1956.
Memorandum of Association or Memorandum or MOA	The memorandum of association of our Company, as amended from time to time.
“Promoters” or “Our Promoters”	Promoters of our company being Mr. Gundlapally Ramalinga Reddy and Mrs. Gundlapally Praveena
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(zb) of the SEBI (ICDR) Regulations and a list of which is provided in the chapter titled “Our Promoters and Promoter Group” beginning on page 135 of this Draft Prospectus.

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Peer Review Auditor	The Peer Review Auditor of our Company being M/s. Minesh Anand & Associates having their office at HIG A1, CGHB Complex, Opp. New Bus Stand, Durg – 491001, Chhattisgarh
Registered Office	The Registered Office of our Company is located at 1-8-505/D/E/A, Husys House, Prakash Nagar Extension, Begumpet, Hyderabad, Telangana – 500016, India.
RoC	Registrar of Companies, Hyderabad

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**Issue Related Terms**

Term	Description
Allocation / Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants.
Allotment/ Allot/ Allotted	Issue an allotment of Equity Shares of our Company pursuant to Fresh Issue of the Equity Shares to the successful Applicants.
Allottee(s)	Successful Applicants to whom Equity Shares of our Company shall be allotted.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely [ ● ]
ASBA Investor/ASBA applicant	Any prospective investor(s)/applicant(s) in this Issue who apply(ies) through the ASBA process.
Banker(s) to the Issue(s)/ Public Issue Bank.	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [ ● ]
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 213 of this Draft Prospectus.
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with 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.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996

Term	Description
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <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.
Designated Date	Designated date means the date on which fund transfer instructions will be released to the controlling branches of SCSB's upon approval of basis of allotment by designated Stock exchange, NSE, following which the Board of Directors shall allot/credit the equity shares to successful applicants.
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited (NSE).
Draft Prospectus	The Draft Prospectus issued in accordance with Section 26 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations.
Eligible NRIs	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 Draft Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Public Issue Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Manager, and the Banker to the Issue for collection of the Application Amounts.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form
Issue/ Public Offer/ IPO	Public Issue of 6,08,000 Equity Shares of face value of Rs. 10/- each fully paid of Husys Consulting Limited for cash at a price of Rs. 86/- per Equity Share (including a premium of Rs. 76/- per Equity Share) aggregating Rs. 522.88 lakhs.
Issue Agreement	The agreement dated April 19, 2016 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which Issue closes for subscription
Issue Opening Date	The date on which Issue opens for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 86/- per Equity Share of face value of Rs.10/- each fully paid.
Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company, being Rs. 522.88 lakhs.

Listing Agreement	The Equity Listing Agreement to be signed between our Company and the NSE Emerge Platform.
Lead Manager/ LM	Lead Manager to the Issue in this case being Sarthi Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker.
Market Making Agreement	Market Making Agreement dated April 19, 2016 between our Company, LM and Market Maker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Wealth First Portfolio Managers Limited, who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved Portion of 32,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 86/- per Equity Share aggregating Rs. 27.52 lakhs for the Market Maker in this Issue.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Net Issue	The Issue excluding the Market Maker Reservation Portion of 5,76,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs.86/- Equity Share aggregating Rs. 495.36 lakhs by our Company.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled “Objects of the Issue” beginning on page 82 of this Draft Prospectus.
Non Institutional Investors	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than Rs. 2,00,000.
Emerge Platform of NSE	The Emerge Platform of NSE for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an NSE Emerge on October 14, 2011.
OCB/Overseas Body	Corporate A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.



Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus to be filed with RoC containing, <i>interalia</i> , the issue opening and closing dates and other information.
Public Issue Account	Public Issue Account means the accounts opened with the Banker(s) to the Issue i.e. [●] to receive monies from the SCSBs by the ASBA Applicants, in each case on the Designated Date in terms of Section 40 of the Companies Act, 2013 in this case being [●]
Qualified Institutional Buyers or QIBs	QIBs, as defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 lakhs, pension fund with minimum corpus of Rs. 2,500 lakhs, NIF, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Refund Account (s)	Account(s) to which Application monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of Equity Shares does not occur.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened Account in case listing of Equity Shares does not occur, in this case being [●]
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited having registered office at 46, Avenue, 4 <sup>th</sup> Street, No.1, Banjara Hills, Hyderabad, Andhra Pradesh, Kurnool, TG - 500034.
Retail Individual Investor	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i> ) and ASBA Applicants, who apply for an amount less than or equal to Rs. 2,00,000.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).
SCSB/ Self Certified Syndicate Banker.	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-theASBAfacility">http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-theASBAfacility</a> , or at such other website as may be

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	prescribed by SEBI from time to time.
Underwriters	Sarathi Capital Advisors Private Limited
Underwriting Agreement	The agreement dated April 19, 2016 entered into between the Sarathi Capital Advisors Private Limited and our Company
Working Day	Unless the context otherwise requires:  (i) Till Application / Issue closing date: All days other than the 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday, Sunday or a public holiday;  (ii) Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchange other than a Sunday or a public holiday in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

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Technical and Industry Terms

Term	Description
AMS	Associate Management Service
Associate Employees	Qualified job seekers who are employed by our Company to fulfill the temporary staffing requirements of our clients
BPO	Business Process Outsourcing
CLPRA Act	The Child Labour (Prohibition and Regulation) Act, 1986
CLRA Act	The Contract Labour (Regulation and Abolition) Act, 1970
CSG	Career Star Group
CV	Curriculum Vitae
CXO	Chief Executive Level Officer
EC Act	The Employees Compensation Act, 1923
EPF Act	The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
ER Act	The Equal Remuneration Act, 1976
ESI Act	The Employees' State Insurance Act, 1948
HR	Human Resource
HRFM	HR Function Management Solution
ID Act	The Industrial Disputes Act, 1947
MRTUPULP Act	The Maharashtra Recognition of Trade Unions And Prevention Of Unfair Labour Practices Act, 1971
NGO	Non-Governmental Organization
PEO	Professional Employer Organization
PSU	Public Sector Units

## Conventional and General Terms/ Abbreviations

Term	Description
A/c	Account
Act	The Companies Act, 1956 and amendments thereto including provisions of Companies Act 2013, wherever notified.
AGM	Annual General Meeting
AMC	Annual Maintenance Contract
Articles	Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies' law or of this Act.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment Year
ASBA	Applications Supported by Blocked Amount
B.A	Bachelor of Arts
B.Com	Bachelor's Degree in Commerce
BIFR	Board for Industrial and Financial Reconstruction
BL	Block Level
NSE	National Stock Exchange of India Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
CMMI	Capability Maturity Model Integration
Companies Act	Companies Act, 1956 as amended from time to time, including sections of Companies Act, 2013 wherever notified by the Central Government.
CSO	Central Statistical Organization
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.

Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
DB	Designated Branch
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortization and Extraordinary items.
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
EPS	Earnings per Share
FDI	Foreign Direct Investment
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed there under.
FEMA Regulations	FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto.
FII(s)	Foreign Institutional Investors
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India.
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
F.Y	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GOI	Government of India.

HNI	High Networth Individual
HUF	Hindu Undivided Family
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.
Indian GAAP	Generally accepted accounting principles in India.
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International financial reporting standards.
IPC	Indian Penal Code
IPO	Initial Public Offering
IPR	Intellectual Property Right
IT	Information Technology
IT Act	The Income-Tax Act, 1961 as amended from time to time except as stated otherwise.
IT Rules	The Income-Tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
JV	Joint venture
KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 121 of this Draft Prospectus.
LRO	Land Reforms Officer
Ltd.	Limited
MBA	Master in Business Administration
M.Com	Master of Commerce
MD	Managing Director
MoU	Memorandum of Understanding
MNC	Multinational Corporation
N/A or NA	Not Applicable

NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.
NOC	No Objection Certificate
NPV	Net Present Value
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited.
OS	Operating System
p.a.	Per Annum
PAN	Permanent Account Number
PAT	Profit After Tax
Pvt.	Private
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
POA	Power of Attorney
PIO	Persons of Indian Origin
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
Ron	Return on Net Worth.

Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	NSE Emerge Platform
Sq.	Square
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number
US/ U.S. / USA	United States of America
USD or US\$	United States Dollar



U.S. GAAP	Generally accepted accounting principles in the United States of America
UOI	Union of India
Venture Capital Fund(s)/ VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
WDV	Written Down Value
w.e.f.	With effect from
YoY	Year over Year

Notwithstanding the following: -

- (i) In the section titled '*Main Provisions of the Articles of Association*' beginning on page 229 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled '*Financial Statements*' beginning on page 143 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
- (iii) In the chapter titled "*Statement of Possible Tax Benefits*" beginning on page 89 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that chapter

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Draft Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements’ beginning on page 143 of this Draft Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1<sup>st</sup> April of each year and ends on 31<sup>st</sup> March of the next year. All references to a particular fiscal year are to the 12 month period ended 31<sup>st</sup> March of that year. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements’ beginning on page 143 of this Draft Prospectus.

### CURRENCY OF PRESENTATION

In this Draft Prospectus, 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. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten millions’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

### INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Draft Prospectus have been obtained from Centre for Monitoring Indian Economy (CMIE), Indian Brand Equity Foundation (IBEF), Asian Development Bank, Ministry of Statistics and Programme Implementation (MOSPI), Central Statistical Organisation (CSO), Reserve Bank of India as per Base Year 2011-12, Department of Industrial Policy & Promotion (DIPP), <http://www.chitkara.edu.in/mba/human-resource-management/hr-solutions>, CIETT Economic Report 2016, <http://www.ciett.org/economicreport2016/introduction.html>. Industry publications generally state that 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 Draft 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.

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

## **FORWARD-LOOKING STATEMENTS**

This Draft Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

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

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 20 and 184 respectively of this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Draft Prospectus. Neither we, our Directors, Underwriter, Merchant Banker nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the LM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

**SECTION II – RISK FACTORS**

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

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 103, “Our Industry” beginning on page 97 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 184 respectively, of this Draft Prospectus as well as other financial information contained herein.*

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

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 3 of this Draft Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

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



**A. INTERNAL RISK FACTORS**

**A. Business Risks/ Company specific Risk**

- 1. Our Company is involved in certain legal proceeding(s). Any adverse decision in such proceeding(s) may render us liable to liabilities/penalties and may adversely affect our business and results of operations.**

**I. Tax Proceedings involving our Company:**

- Our Company has received the Income Tax Assessment order dated March 14, 2016 for A.Y. 2013-14 in which the Assessing Officer has disallowed the expenses of Rs. 6,42,881 resulting into additional tax liability of Rs. 1,98,650 for which the Company has decided not to go for an appeal and pay the additional tax liability. Further notice U/s 274 read with Section 271(1) (c) of the Income Tax act, 1961 has been issued by the department regarding penalty for non-disclosure. The company has filed its reply dated April 30, 2016 and decision is awaited.
- The Company has received Service Tax notice dated February 16, 2016 for default of Rs. 6,62,362 for the period April 2014 to March 2015 against which the Company has filed reply on February 25, 2016.

- 2. Our Registered Office is not owned by us, if we are required to vacate the same, due to any reason whatsoever, it may adversely affect our business operations.**

Our Company has its registered office at the premises that is not owned by the Company. We have been occupying these premises under Lease Agreement from the Promoter of the Company Mr. Gundlapally Ramalinga Reddy at a payment of monthly rent. Although, we believe that we have complied with all the terms of such agreements, in the event there is any breach or violation of the same, we may be required to vacate the premises. Further, if we are required to vacate the premises due to any reason whatsoever, than we may have to look for alternate premises, which we may not be able to find at terms favourable to our Company. In such an event, it will adversely affect our business operations and our financial condition.

- 3. We operate in a highly competitive and fragmented industry with low barriers to entry and may be unable to compete successfully against existing or new competitors, particularly in the unorganized segment.**

The Human Resource services market is highly fragmented and competitive. We compete in national and regional markets. We face competition from various regional and global players. Price competition in the HR industry is intense, particularly for qualified HR and Software Technical personnel. We expect that the level of competition will remain high, which could directly impact the size of our workforce and therefore potentially limit our ability to maintain or increase our market share or profitability. We also face the risk of our current or prospective clients deciding to utilize their internal workforce or use independent contractors or service providers in the unorganized segment. Our continued success depends on our ability to compete effectively against our existing and future competitors. With the potential influx of new competitors, our ability to retain our existing clients and to attract new clients is critical to our continued success. As a result, there can be no assurance that we will not encounter increased competition in the future. Nor can there be any assurance that our Company will, in light of competitive pressures, be able to remain profitable or, if profitable, maintain its current profit margins.

**4. *Our business is significantly affected by fluctuations in general economic activity.***

Demand for HR services is significantly affected by the general level of commercial activity and economic conditions in the regions and sectors in which we operate. An economic downturn in a region or sector in which we operate may adversely affect our operations in that region or sector. Many of our Company's top clients are multi-national corporations, and a downturn in the global markets may adversely affect their operations, thereby affecting our business, financial conditions or results of operations. We may also experience more competitive pricing pressure during periods of economic downturn.

**5. *Our business is subject to extensive government regulation, which may restrict the types of services we are permitted to offer or result in additional tax or other costs that reduce our revenues and earnings.***

The HR services sector is subject to complex laws and regulations. These laws and regulations cover the following such as Minimum Wages Act, ESI Act, CLRA Act, EPF Act and ID Act, which vary from state to state in India and are subject to change. These laws and regulations sometimes limit the size and growth of HR services markets. Changes in laws or government regulations may result in prohibition or restriction of certain types of employment services we are permitted to offer, or the imposition of new or additional licensing or tax requirements that could reduce our revenues and earnings. There can be no assurance that we will be able to increase the fees charged to our clients in a timely manner and by a sufficient amount to cover increased costs as a result of any changes in laws or government regulations. Any future changes in laws or government regulations, including changes in tax laws and rates of taxation, may make it more onerous for us to provide staffing services and could have a material adverse effect on our business, financial condition and results of operations. Further, labour laws in India are complex and subject to sporadic change, and non-compliance with any requirements thereunder may result in penalties, loss of business and damage to our reputation.

For further details on the laws and regulations applicable to us, please refer to the section “Key Industry Regulation and Policies” beginning on page 112 of this Draft Prospectus. These effects may occur notwithstanding the assurance over key risks that our internal processes to identify risks, allocate risk owners and monitor actions provide.

**6. *Delay in filing of certain forms under Companies Act with RoC.***

We have delayed in filing of certain forms under Companies Act with RoC and although the Company has paid additional fees for the same, such non-compliance may result in penalties or other action against our Company.

**7. Our Company had negative cash flows from our investing activities as well as financing activities in some of the previous year(s) as per the Audited Financial Statements and the same are summarized as under:**

Our Company had negative cash flows from our investing activities as well as financing activities in some of the previous year(s) as per the Audited Financial Statements and the same are summarized as under:

(Rs. In lakhs)

Particulars	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Cash Flow from/ (used in ) Operating Activities	24.57	113.94	139.55	26.89	69.10
Cash Flow from/ (used in ) Investing Activities	(41.20)	(122.92)	(146.26)	(10.96)	(1.50)
Cash Flow from/ (used in ) Financing Activities	37.33	(8.64)	24.80	(12.00)	(67.91)

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

**8. Failure to recover amounts from our Sundry Debtors/Trade Receivables on a timely manner might affect our financial conditions.**

As of March 31, 2016, we have total Trade Receivables of Rs. 57.19 Lakhs including our Domestic and International Debtors out of which 46% of total trade receivables i.e. Rs. 26.31 Lakhs are over 6 months. Further debtors over 6 months include Rs. 10.80 Lakhs which are not recoverable. If we are unable to recover balance amount in a timely manner it might affect our financial conditions and profitability.

**9. Our intellectual property rights may be infringed upon or we may infringe the intellectual property rights of third parties**

We have been using our wordmarks “Husys” and “Mission HR” to conduct our business. However, there is no assurance that our wordmarks will not be infringed upon. Depending on whether we are able to discover any such infringement of our wordmarks or successfully enforce our legal rights in the jurisdictions where such infringements may occur, our business and branding may suffer as a result of any misuse of our trademark. In such circumstances, our reputation and business may be adversely affected. Further, if we decide to pursue action against such infringements to protect our reputation, it could result in diversion of our resources and our financial results may be adversely affected.

Similarly, we may also infringe the intellectual property rights of third parties in the use of our various wordmarks in our operations. Although we are not aware of any such infringement by us, there is no assurance that we will not infringe or have not infringed the intellectual property rights of any third party. In the event of any such infringement, we may be subject to our claims or actions and our business, reputation, financial condition and results of operations may be adversely affected.



- 10. *We have not registered our trademark or logo HR Function Management Company nor have we made any application to register the same. If we are unable to protect our trademark and trade-names, others may be able to use our trademark and trade-names to compete more effectively.***

We have neither obtained trademark registrations for our logo nor have we applied to register our logo. We cannot assure you that we will be able to obtain such registrations in a timely manner, in case we determine to apply in the later course of time. As a result, we may be unable to prevent use of these logo/trademark or variations thereof by any other party or ensure that we will continue to have a right to use it. We further cannot assure you that any third party will not infringe upon our trademark, logo and/or trade name in a manner that may have a material adverse effect on our business prospects, reputation and goodwill.

- 11. *Loss of major clients or the deterioration of their financial condition or prospects could have a material adverse effect on our business.***

While our strategy is intended to enable us to increase our revenues and earnings from our major corporate clients, the strategy also exposes us to increased risks arising from the possible loss of major client's accounts. In addition, some of our clients are in industries that have experienced adverse business and financial conditions during economic downturn. The deterioration of the financial condition or business prospects of these clients could reduce their need for temporary employment services, and result in a significant decrease in the revenues and earnings we derive from these clients. The bankruptcy of a major client could have a material adverse impact on our ability to recover monies from them & consequently to meet our working capital requirements.

- 12. *Our Promoters, Directors have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amount due or termination of the facilities.***

Our Promoters, Directors have provided personal guarantees to certain working capital facilities availed by us. In the event that any of these guarantees are revoked or withdrawn, the lenders for such facilities may require alternative guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as result may need to repay the outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial conditions.

- 13. *There are several restrictive covenants in the loan agreements, which could influence our ability to expand, in turn affecting our business and results of operations***

We have availed bank overdraft facilities from Bank of India. We have entered into agreements for bank overdraft facilities with our banker and the covenants in borrowings from bank, among other things require us to obtain permissions in writing in respect of, including, but not limited to effecting any change in capital structure of the Company, formulate any scheme of amalgamation, acquisition, merger, or reconstruction etc., implement any scheme of expansion or acquire fixed assets, enter into borrowing arrangement either secured or unsecured with any other bank/financial institution/Company or otherwise; except which are approved by Bank, undertake guarantee obligations on behalf of any other company/firm/person, declare dividends without paying the due installments, interests etc. to the Bank, make any drastic change(s) in its management set-up, etc. These covenants may have an adverse effect on the functioning of our Company. For further details on restrictive covenants, please refer to chapter "Statement of Financial Indebtedness" beginning on page 180 of this Draft Prospectus.

**14. *The secured loan availed by us is recallable by the lender at any time.***

Our Company has availed secured loan which is recallable on demand by the lender. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenor. In case the loan is recalled on demand by the lender and our Company is unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. See “Financial Indebtedness” in the chapter “Financial Information” beginning on page 143 of this Draft Prospectus.

**15. *Some of the Key Management Personnel are associated with the Company less than one year.***

Some of the Key Management Personnel i.e. Company Secretary and Chief Financial Officer is associated with the Company for a period of less than one year. For details of Key Management Personnel and their appointment, please refer to chapter “Our Management” beginning on page 121 of this Draft Prospectus.

**16. *We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.***

We have entered into certain transactions with related parties, our Directors and our Key Managerial Personnel and their relatives and may continue to do so in future. For absolute value of all transactions entered into with our related party entities please refer to Statement of Related Party Transactions under chapter “Financial Statement” beginning on page 143 of this Draft Prospectus. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

**17. *Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 82 of this Draft Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 82 of this Draft Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**18. *Our insurance coverage may not adequately protect us against potential risk and this may have a material adverse effect on our business.***

The insurance cover taken by us may not be adequate enough for covering the entire future unforeseen liabilities that might occur in the normal course of business. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time by the insurers. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our business operations and cash flows may be affected. For details on

Insurance cover, please see “Insurance” the chapter titled “Our Business” beginning on page 103 of this Draft Prospectus.

**19. *Our Company has not followed Accounting Standard – 15 regarding Employee Benefits prescribed by the Institute of Chartered Accountants of India (ICAI).***

The Accounting Policy followed by us is not in conformity with the Accounting Standard prescribed by the Institute of Chartered Accountants of India, regarding disclosure of Present Value of Obligations with respect to the retirement benefits to be paid to the employees. The Accounting Standard stipulates that these liabilities should be accounted in the Books on Accrual Basis.

**20. *We rely on our systems including information technology systems to manage our business processes and reporting and their failure could adversely affect our operations.***

We rely on our information technology systems to manage our business processes and reporting. Any failure or malfunction in these information technology systems could result in business interruptions, including disruption in tracking, recording and analyzing work in progress, processing financial information, managing creditors/debtors or engaging in normal business activities. This could adversely affect our reputation, competitive position and operational efficiencies.

**21. *Our investment in technology may not yield the intended results.***

We are investing in technological upgrades to achieve our strategic objectives and to remain competitive. In this regard, we intend to continue to develop and enhance our localized information systems, which might require the acquisition of equipment and software and the development, either internally or through independent consultants, of new proprietary software. Our new systems, infrastructure and technologies may not perform satisfactorily, or be used effectively, and we may also fail to adapt our service platforms to reflect our increased size and scale, user requirements or emerging trends and industry standards. If we do not effectively manage our growth and appropriately expand and upgrade or downsize and scale back our systems and platforms, as appropriate, in a timely manner and at a reasonable cost, we may lose market opportunities, which may adversely affect our business, financial condition and results of operations.

**22. *Security breaches and any disruption to our information technology could adversely impact our business.***

We seek to protect our computer systems and network infrastructure from security breaches and other disruptive problems caused by our increased internet connectivity. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches but there can be no assurance that these security measures will be successful. Breaches of our security measures could affect the security of information stored in and transmitted through these computer systems and network infrastructure. A failure in security measures could have a material adverse effect on our business and our future financial performance. Our business relies on information technology to operate on a daily basis. The success of our businesses depends in part upon the ability to store, retrieve, process and manage substantial amounts of information. Any disruption in our information technology systems could render us unable to operate our business. This could adversely affect our business, reputation and revenues.

- 23. *In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our Directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

- 24. *Our success depends largely upon the services of our Promoters and other Key Personnel and our ability to retain them. Our inability to attract and retain key managerial personnel may adversely affect the operations of our Company.***

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management 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 expand our business.

- 25. *If we fail to successfully develop new service offerings and adapt to client needs we may be unable to retain current clients and gain new clients and our revenues would decline.***

The process of developing new service offerings requires accurate anticipation of clients' changing needs and emerging technological trends. This may require that we make long-term investments and commit significant resources before knowing whether these investments will eventually result in service offerings that achieve client acceptance and generate the revenues required to provide desired returns. If we fail to accurately anticipate and meet our clients' needs through the development of new service offerings, our competitive position could be weakened and that could materially adversely affect our results of operations and financial condition.

- 26. *Client contracts are generally of a short duration and contain termination provisions that could decrease our revenues and earnings.***

Most of our client contracts can be terminated by the client on short notice without penalty. Majority of our client contracts are for a period of 12 months. Our clients, therefore, are not contractually obligated to continue to do business with us in the future. This creates uncertainty with respect of revenues and earnings from our client contracts.

- 27. *Clients may delay or default in making payments for services which could affect the cash-flows and liquidity of the Company.***

Cash collection trends measured by days outstanding have a material impact on the cash receipts and, consequently, on our cash flows. In general, an increase in bad debts or aged debtors leads to greater usage of operating working capital and increased interest costs. Trade receivables constitute a significant portion of our assets and are, therefore, a major business investment. Successful control of the trade receivables process demands development of appropriate contracting, invoicing, credit,

collection and financing policies. Our failure to maintain such policies could have a negative effect on its business, financial condition and results.

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

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

**29. *Our Promoters and the members of our Promoters Group will continue to retain significant control in the Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval. Our Promoters and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.***

As of March 31, 2016, our Promoters and the members of our Promoter Group hold approximately 94.54% of the issued equity share capital of the Company. After completion of the Issue, our Promoters and the members of our Promoter Group will hold 69.34% of the equity shares capital of the Company and continue to retain a significant control of the Company. As a result, our Promoters and our Promoter Group will have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as our Promoters and the members of our Promoter Group continue to exercise significant control over the Company they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. Our Promoters and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**30. *Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share price to decline.***

The economic environment and pricing pressure could negatively impact our revenues and operating results. In the event that the Government of India or the government of another country changes its tax policies in a manner that is adverse to us, our tax expense may materially increase, reducing our profitability.

**II. Risk related to this Issue and our Equity Shares**

- 31. 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.

- 32. 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.

- 33. You may be subject to Indian taxes arising out of capital gains on sale of Equity Shares.**

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian Company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. For more details, please refer to "Statement of Tax Benefits" on page 89 of this Draft Prospectus.

- 34. There is no guarantee that the Equity Shares issued pursuant to this Issue will be listed on the NSE Emerge in a timely manner.**

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 NSE to use its name as the Stock Exchange in this offer document for listing our shares on the NSE-Emerge. 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 delay in listing the Equity Shares on the NSE-Emerge. Any delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

- 35. 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 NSE, 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.

## **B. EXTERNAL RISK FACTORS**

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

India has experienced natural calamities such as earthquakes, tsunamis, and floods in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. 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.

### **37. *We have not prepared, and currently do not intend to prepare, our financial statements in accordance with the International Financial Reporting Standards (“IFRS”). Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.***

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the “IFRS Convergence Note”). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined. 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 converged Indian Accounting Standards 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 and in the corresponding (restated) period in the comparative Fiscal/period.

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

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company’s business could cause its results of operations to suffer. Any significant change in India’s economic policies could disrupt business and economic conditions in India generally and the Company’s business in particular.

### **39. *Financial instability in Indian financial markets could adversely affect our company’s results of operations and financial condition.***

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on

our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

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

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

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

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

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

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

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

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include service tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other taxes by the Central and the State Governments may adversely affect our results of operations.



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

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

**PROMINENT NOTES**

- a) The Public Issue of 6,08,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 86/- per Equity Share aggregating Rs. 522.88 Lakhs (“the Issue”). Issue of Equity Shares will constitute 26.65% of the fully diluted Post-Issue paid up capital of our Company. For more information, please refer to chapter titled “The Issue” on page 48 of this Draft Prospectus.
- b) The net worth of our Company is Rs. 245.15 Lakhs, Rs. 154.37 Lakhs and Rs. 130.30 Lakhs as on March 31, 2016, March 31, 2015 and March 31, 2014 respectively as per audited financial statements of our Company. The book value of each Equity Share is Rs. 14.65, Rs. 12.25 and Rs. 20.68 as on March 31, 2016, March 31, 2015 and March 31, 2014 respectively as per the audited financial statements of our Company. For more information, please refer to section titled “Financial Statements” beginning on page 143 of this Draft Prospectus.
- c) The average cost of acquisition of per Equity Shares by our Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Gundlapally Ramalinga Reddy	9,37,885	3.26
Gundlapally Praveena	6,44,000	5.00

- d) For details of Related Party Transactions entered into by our Company, please refer to the chapter titled “*Related Party Transactions*” beginning on page 141 of this Draft Prospectus.
- e) Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoters and Promoter Group*” and “*Our Management*” beginning on pages 57, 135 and 121 respectively, of this Draft Prospectus, none of our Promoters, Directors or Key Management Personnel have any interest in our Company.
- f) Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 57 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than cash.
- g) Investors may contact the LM or the Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the LM and our Company to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the LM and the Compliance Officer, please refer to the chapter titled “*General Information*” beginning on page 49 of this Draft Prospectus.
- h) Investors are advised to refer to chapter titled “*Basis for Issue Price*” on page 87 of this Draft Prospectus.
- i) Trading and Allotment in Equity Shares for all investors shall be in dematerialized form only.
- j) There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Draft Prospectus.
- k) Except as stated in the chapter titled “*Our Group Entities*” beginning on page 138 and chapter titled “*Related Party Transactions*” beginning on page 141 of this Draft Prospectus.

Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 211 of this Draft Prospectus.

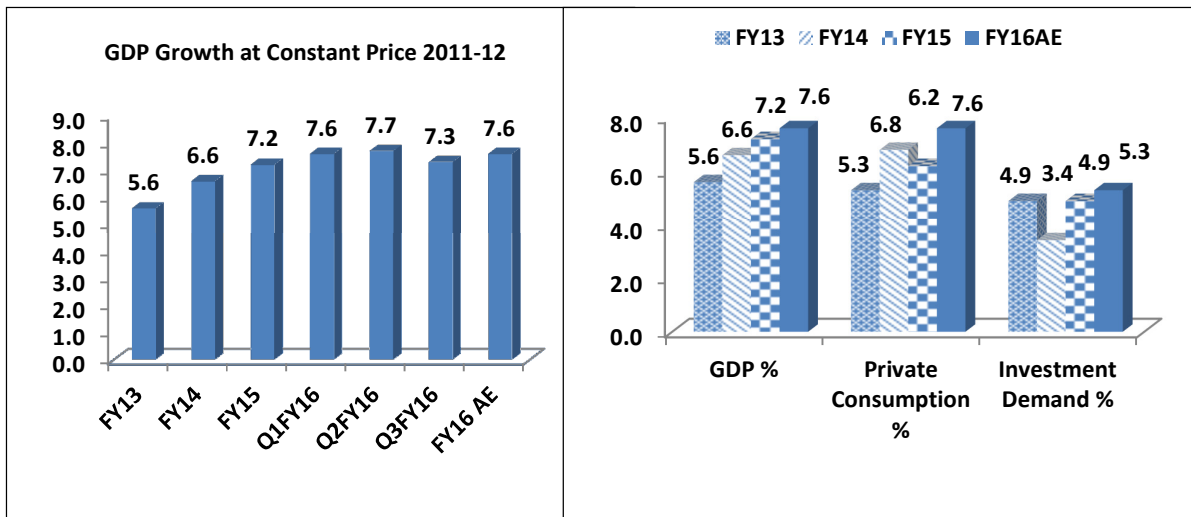
**SECTION III- INTRODUCTION**

**SUMMARY OF OUR INDUSTRY**

**Overview of Indian Economy**

India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.25 billion people, and the most populous democracy in the world. India is the fourth largest economy in the world in terms of purchasing power parity (PPP). Gross Domestic GDP of the country for the year 2014-2015 stood at INR 106.6 trillion (US\$ 1.60 trillion) as compared to INR 99.21 trillion (US\$ 1.49 trillion) in 2013-14 . India’s economy has witnessed a significant economic growth in the recent past, growing by 7.2 % in 2015 as against 6.6 % in 2014. India is set to become the world’s fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. Service sector contributes 65% to the GDP were as Industry and Agriculture shares the pie with 18% and 17% respectively. Data released by the Central Statistics Office projected a growth of 7.6% in 2015-16 against the government’s more modest expectation of 7-7.5% growth. This despite growth decelerating to 7.3% in the quarter ended December from 7.7% in the previous quarter.

*Source: CMIE, IBEF, Asian Development Bank, MOSPI*

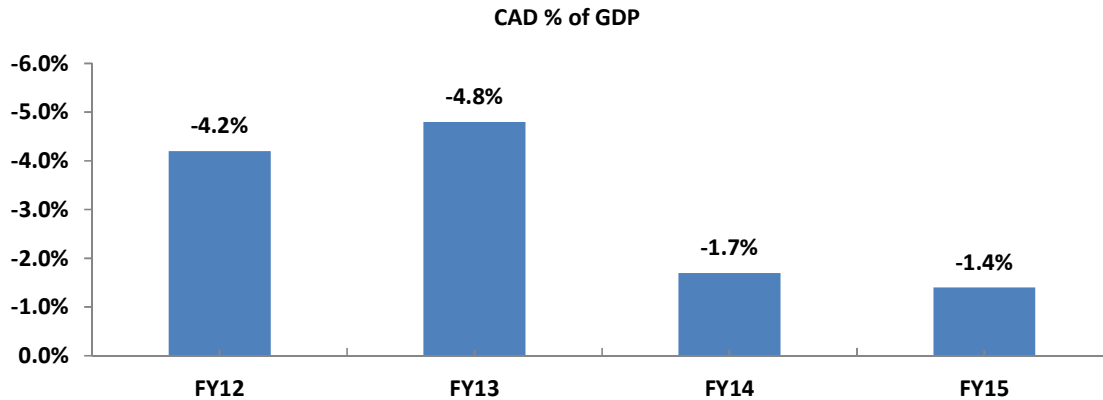


*Source: MOSPI, CSO, Base year 2011-12*

As per the advance estimates of Gross Domestic Product (GDP) released by the Central Statistics Office (CSO) on February 8, 2016, the growth rate of GDP at constant (2011-12) market prices for FY 2015-16 is estimated to be 7.6 % as compared to the growth of 7.2 % in FY 2014-15. Growth rate for the third quarter (Q3) (October-December) of FY 2015-16 is estimated at 7.3 % as compared to the growth of 7.4 % in second quarter (Q2) of FY 2015-16, and 7 % in first quarter (Q1) of FY 2015-16.

**Current Account Deficit**

In 2014-15, current account deficit stood at \$27.9 billion, or 1.4% of GDP. In 2013-14 it was at \$32.4 billion (1.7% of GDP) and in 2012-13 at \$88.1 billion (4.7 % of GDP). India’s current account deficit (CAD) narrowed to \$8.2 billion (1.6 % of gross domestic product) in the second quarter of FY2016 from \$10.9 billion (2.2 % of GDP) in the year-ago quarter. The contraction in CAD in the September quarter was primarily on account of lower trade deficit (\$37.4 billion) compared to \$39.7 billion in the same quarter of 2014-15. For the April-September 2015 period, CAD declined to \$14.3 billion (1.4 % of GDP) from 18.4 billion (1.8 % of GDP) during the same period in FY15. For the first half of 2015-16, BoP remained in the positive territory as there was an accretion of \$10.6 billion to foreign exchange reserves compared with \$18.1 billion in the year-ago period.

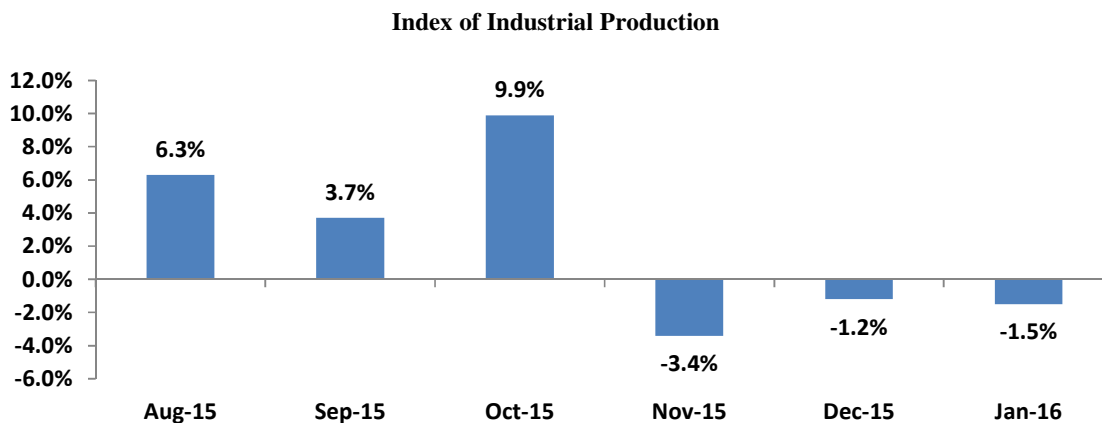


Source: RBI

### Index of Industrial Production

Factory/industrial output contracted for the third month in a row in January 2016, indicating a slow growth in the country. The factory output data, popularly known the index of industrial production (IIP), for the month of January 2016 is 1.5% lower as compared to that of January 2015, said the Central Statistics Office (CSO) of the Ministry of Statistics and Programme Implementation. IIP for the months of Jan 2016 and December 2015 too had declined to 1.5% and 1.2% respectively, over the same corresponding months last year.

Of the three sectors which form the IIP, mining and electricity grew by 1.2% and 6.6%, respectively, while manufacturing, with a weightage of 75 %, saw a slump by 2.8% year-over-year, pulling down the entire index. Ten out of the twenty-two industries in the manufacturing sector have shown a negative growth during the month of January 2016 as compared to the corresponding month of the previous year.



Source: RBI

### Foreign Direct Investments

Apart from being a critical driver of economic growth, foreign direct investment (FDI) is a major source of non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of cheaper wages, special investment privileges like tax exemptions, etc. For a country where foreign investments are being made, it also means achieving technical know-how and generation of employment. The continuous inflow of FDI in India, which is now allowed across several industries, clearly shows the faith that overseas investors have in the country's economy. FDI inflows soared by 24.5 % to US\$ 44.9 billion during

FY2015, as compared to US\$ 36.0 billion in FY2014, according to Department of Industrial Policy and Promotion (DIPP) data. According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments India received in April-December period of 2015 was US\$ 40.82 million, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results.

Data for April-December 2015 indicates computer hardware and software segment attracted the highest FDI equity inflow of US\$ 5.31 billion, followed by services sector US\$ 4.26 and trading business US\$ 2.72 billion. -

FII's net investments in Indian equities and debt are set to touch a record this financial year, backed by expectations of an economic recovery, falling interest rates and improving earnings outlook. FIIs have invested a net of US\$ 43.5 billion so far in 2014-15 expected to be their highest investment compared to others years. Of this, a huge amount US\$ 26.3 billion was invested in debt and it is their record investment in the asset class, while equities absorbed US\$ 17.2 billion.

*Source: IBEF*

**Key Economic Variables**

Particulars	FY13	FY14	FY15	FY16E
GDP %	5.6	6.6	7.2	7.6
GVA Growth Rate (%)	5.4	6.3	7.1	7.3
Export Growth (%)	-1.8	4.7	-1.3	-17.6 <sup>e</sup>
Import Growth (%)	0.3	-8.3	-0.5	-15.5 <sup>e</sup>
Current Account Balance % to GDP	-4.8	-1.7	-1.3	1.4 <sup>e</sup>
Inflation – WPI #	7.4	6.0	2.0	-2.8 <sup>e</sup>
Inflation- CPI	10.2	9.5	5.9	4.9 <sup>e</sup>

*Source <http://indiabudget.nic.in> Volume 1*

*Source: RBI, DIPP*

## SUMMARY OF OUR BUSINESS

### OVERVIEW

Our Company was incorporated on August 24, 2005 as Husys Consulting Private Limited. The Company was converted into Public Limited Company vide fresh Certificate of Incorporation dated August 06, 2015 issued by Registrar of Companies, Hyderabad .

Husys is in the business of creating the concept of HR Function Outsourcing (HR Function Management-HRFM). We focus to be the most innovative, trusted partner in delivering cost effective solutions in the arena of Human Resources Development to the Industry & Society. Our Objective is to be a One-Stop Solution Provider for all Human Resources Challenges of Today's Organizations. Our products are time tested and proven to be effective for business results with people involvement. We provide service products/solutions that are Customized, Cost & Time effective for Business Effectiveness.

#### Our Vision:

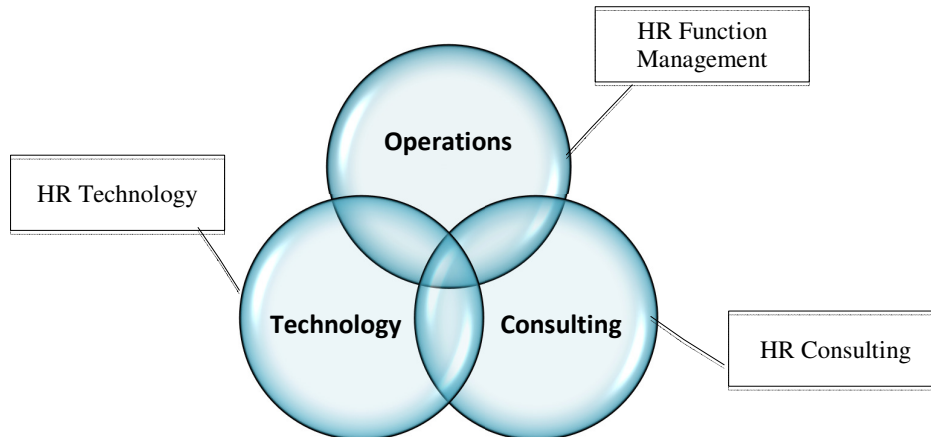
Synergizing Human Potential for Development of Business & Society

#### Our Mission:

To be the leader in deploying & delivering high quality, innovative, cost effective and time sensitive HR Services, leveraging human potential for the advancement of both business and society

### OUR BUSINESS

We provide following services/ products:

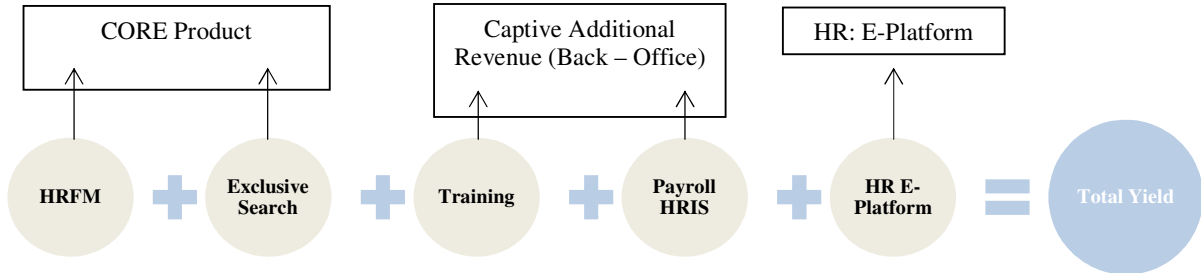


#### I. HR OPERATIONS:

This area of competency focuses primarily on the Operational excellence and delivery capability in terms of the day-to-day transactions of the Business. Our Company offers various products and services under this category. This area of specialization brings the best of the breed operational efficiencies in building and managing day-to-day business HR operations. The solutions are customized, based on the needs of the client; however, the following are some of the areas of service provided.

- **HR Function Management Solution (Core):** This is our Company’s Flagship & Primary Service that is mastered over a period of 12 years in India. We are the pioneers and leaders in building HR Departments and Management for Small and Medium Organizations.

A brief pictorial representation of the opportunities integrating other services is as below:



- **Exclusive Search:** In this solution our Company offers Talent Acquisition for clients. Husys usually has an exclusive mandate - 90% of the times, since exclusivity always gives us an opportunity to generate business and gain revenue stream using our capabilities.

These services require keeping the database, networking and a large pool of social/professional network in multiple industries. Our growing HRFM clients always have need for people and become exclusive mandates.

- Recruitment Assignments
- Talent Reservoir
- Project Based Requirements
- Bid based long-term contracts for association

- **Associate Management Service (AMS):** This service contributes to largest revenue to our Company due to the deployment nature of resources and management of their employment on behalf of other organizations. Our Company has designed this model with a combination of Manpower Outsourcing and HR Function Management as the key ingredients. In this service the Company not only manages the Employment but also all the HR Related issues for the employees are tracked and supported for the employers. The following are the few of the services delivered, included or chosen for support in this service. Currently our Company provides this service for various International Partners and also International Companies in India.

- Employer of Records (Professional Employer Organization – PEO as its call elsewhere in the world)
- Payroll Management (Full Blown service outside of AMS and has a scope as well for Growth)
- HR & Administration

- **Training & Assessment Services:** Our Company helps to assess the Training Needs of HRFM clients or need based support to organizations independently. This service focuses on fulfilling the Training needs of organization by helping them to get the best talent to Train their resources. Our Company keeps a pool of trainers and delivers based on the need and competency required by our clients.

## **II. HR CONSULTING:**

Our Company has been working on this competency from the Design of our core service. As HRFM requires 5-10% of the strategic consulting solution and derived from the Consulting competency of our Senior Team members. For Mid and Large organizations, this service becomes very attractive as they would have their own HR Department who take care of the Day-to-Day operations. Our Consulting Services are more relevant for any organization at various phases as mentioned below but not limited to:

- Organizational or/and Leadership Change
- Growth/Decline/Stagnant Phases
- Acquisition & Mergers
- Change in the Business Environment & Priorities
- International Changes

Our Company delivers the following services but not limited to:

- **HR Consulting Engagements:** In this service Husys would involve in building the strategic support where organization needs. Husys helps organization to focus on strategic support in the areas of Talent Engagement, Talent Management & Talent Development. These are project based needs and closed with specific time frames arising out of the business need. Husys shall deploy a competent Consultant who is signed up to work as Associates based on need. We identify and map the need and the competency of the consultant for deployment and delivery. We are tracking business currently:
  - Organizations who have need for Change and reach us or we attempt reach.
  - Bid based for Private / Governmental / Association / Projects
- **Outplacement:** Husys is a part of Career Star Group which represents 70 countries. Husys also the official licensee of Penna Plc. A UK based largest HR Company and the founding member of CSG. These mandates are assigned based on the Global mandates for large International organizations. The company has built our own internal processes framework for India based outplacement. This service is offered to organization who are making workforce redundant for various reasons. The company steps in and helps the career transition of the affected employees for the organization. The fee is paid by the company to keep their employer brand intact. The following are some of the activities.
  - Target: Workforce, Employees, Middle Management, Senior Management, CXO and Sr. Director Level
  - Helps in building confidence & recover the shock, career strategy to Get to Next job, starting own business & Retirement. Key to success is Job search, CV preparation, Interview preparation, salary/offer negotiations and Planned Transition.
- **HR Advisory:** This is a unique and long-term in many cases in which our senior consultants act as Advisor for the organization. This also has components of Transition and Interim Management options.

## **III. HR TECHNOLOGY:**

Human Resources usage of Technology has come a long way but there is a great scope and usage yet in the organizations. With 100 million working population in SME's and not many of them are the users of technology providing a scope for our Technology Focus. This provides the direct access to the people who have the disposable income predicted every month. Husys identified some of the key areas of development to ensure the following needs are covered for the business revenues.



- **Automate HR Function:** A traditional HR Information System is deployed by helping all the day-to-day operations and data management for employees. The workflow of HR Function is also taken care by this model.

#### **Husys Unique Solutions:**

- **Integrate Collaboration Tool:** A tool that helps our partners / franchisees to enable running HR Function Management and various other services of Husys. It also helps in managing the support group companies where there are many companies and in various industries and spread across the State / Country. This integrates Billing and Knowledge management tool for our partners. This tool also enables the Back-Office functions for Husys, partners & companies.
- **Integrate and Enable HR E-Commerce:** This reduces the strain that SME's go through generally the Purchase Power due to the low volumes. Our product support would bring the collaboration and power of negotiation as aggregator for HR Services universe.

**SUMMARY OF FINANCIAL STATEMENTS**

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

(Rs. In Lakhs)

Particulars		Note No.	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>						
<b>1</b>	<b>Shareholders' funds</b>						
(a)	Share capital	1	167.33	126.00	63.00	42.00	42.00
(b)	Reserves and surplus	2	77.83	28.37	67.30	39.37	33.10
			<b>245.16</b>	<b>154.37</b>	<b>130.30</b>	<b>81.37</b>	<b>75.10</b>
<b>2</b>	<b>Share Application Money Pending Allotment</b>		-	-	-	6.35	6.35
<b>3</b>	<b>Non-current liabilities</b>						
(a)	Long-term borrowings	3	4.54	5.39	6.20	-	-
(b)	Non-Current Liabilities	4	-	-	-	-	-
(c)	Deferred tax liabilities		3.66	8.95	5.86	1.98	1.31
(d)	Long Term Provisions	5	-	-	-	0.10	-
			<b>8.20</b>	<b>14.34</b>	<b>12.06</b>	<b>2.08</b>	<b>1.31</b>
<b>4</b>	<b>Current liabilities</b>						
(a)	Short-term borrowings	6	143.46	148.21	106.82	68.16	35.03
(b)	Trade payables	7	19.22	23.66	22.26	7.72	-
(c)	Other current liabilities	8	63.53	106.16	80.18	44.55	22.17
(d)	Short-term provisions	9	29.00	6.54	10.13	2.13	2.93
			<b>255.21</b>	<b>284.57</b>	<b>225.59</b>	<b>122.56</b>	<b>60.14</b>
	<b>TOTAL</b>		<b>508.57</b>	<b>453.28</b>	<b>361.75</b>	<b>212.36</b>	<b>142.90</b>

<b>II</b>	<b>ASSETS</b>						
<b>1</b>	<b>Non-current assets</b>						
	(a) Fixed assets						
	Tangible assets Net Block	10	41.12	55.70	43.66	33.81	26.16
	Intangible Assets Net Block		10.37	24.94	29.69	2.07	2.17
	Capital work-in- progress		251.35	210.15	104.77	-	-
	(b) Non-current investments		-	-	-	-	-
	(c) Deferred tax Assets		-	-	-	-	-
	(d) Long Term Loans & Advances	11	-	-	-	43.20	-
	(e) Other Non-current Assets	12	-	-	-	-	-
			<b>302.84</b>	<b>290.79</b>	<b>178.12</b>	<b>79.08</b>	<b>28.33</b>
<b>2</b>	<b>Current assets</b>						
	(a) Inventories	13	-	-	-	-	-
	(b) Trade receivables	14	57.18	54.69	91.82	62.49	26.44
	(c) Cash and cash equivalents	15	26.30	5.60	23.21	5.11	1.18
	(d) Short-term loans & advances	16	122.25	102.20	68.59	65.68	86.95
	(e) Other current assets	12	-	-	-	-	-
			<b>205.73</b>	<b>162.49</b>	<b>183.62</b>	<b>133.28</b>	<b>114.57</b>
	<b>TOTAL</b>		<b>508.57</b>	<b>453.28</b>	<b>361.74</b>	<b>212.36</b>	<b>142.90</b>

**ANNEXURE II**

**STATEMENT OF PROFIT AND LOSS AS RESTATED**

(Rs. In Lakhs)

Sr. No	Particulars	Note No.	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>I</b>	<b>Income</b>						
	Revenue from operations :						
	Sale of Services	17	1,241.35	925.14	520.62	315.56	186.84
	Total Sales Excluding Taxes		1,241.35	925.14	520.62	315.56	186.84
	Less: Duties & Taxes						
	Total Sales		1,241.35	925.14	520.62	315.56	186.84
	Other income	18	3.53	0.84	7.04	0.12	0.05
	<b>Total Revenue</b>		<b>1,244.88</b>	<b>925.98</b>	<b>527.66</b>	<b>315.68</b>	<b>186.89</b>
<b>II</b>	<b>Expenses</b>						
	Cost of materials consumed		-	-	-	-	-
	Change in inventories of FG & WIP	19	-	-	-	-	-
	Purchases of traded goods	20	-	-	-	-	-
	Employee benefits expense	21	1,061.74	724.81	413.99	242.32	140.17
	Finance costs	22	14.22	7.82	2.40	12.00	9.25
	Depreciation and amortization expense	23	29.15	10.98	4.87	3.52	2.98
	Other expenses	24	84.23	147.53	64.46	48.77	23.56
	<b>Total Expenses</b>		<b>1,189.34</b>	<b>891.14</b>	<b>485.72</b>	<b>306.61</b>	<b>175.96</b>
<b>III</b>	<b>Profit before exceptional and extraordinary items and tax (I-</b>		<b>55.54</b>	<b>34.84</b>	<b>41.94</b>	<b>9.07</b>	<b>10.93</b>

	<b>II)</b>						
<b>IV</b>	<b>Exceptional items</b>						
	Depreciation written back		-	-	-	-	-
	Profit on sale of Assets		-	-	-	-	-
<b>V</b>	<b>Profit before extraordinary items and tax (III - IV)</b>		<b>55.54</b>	<b>34.84</b>	<b>41.94</b>	<b>9.07</b>	<b>10.93</b>
VI	Extraordinary Items		-	-	-	-	-
<b>VII</b>	<b>Profit before tax (V - VI)</b>		<b>55.54</b>	<b>34.84</b>	<b>41.94</b>	<b>9.07</b>	<b>10.93</b>
VIII	Tax expense:						
	Current tax		22.46	7.67	10.13	2.13	2.93
	Tax for Earlier Years		-				
	Deferred tax Liability/(Assets)		(5.30)	3.10	3.88	0.67	0.45
	Total Tax Expense		17.16	10.76	14.01	2.80	3.38
<b>IX</b>	<b>Profit (Loss) for the period (VII-VIII)</b>		<b>38.38</b>	<b>24.07</b>	<b>27.93</b>	<b>6.27</b>	<b>7.55</b>

**ANNEXURE III**
**STATEMENT OF CASH FLOW FROM RESTATED FINANCIAL STATEMENT**

(Rs. In Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>A. Cash flow from operating activities</b>					
Net Profit / (Loss) after tax	38.38	24.07	27.93	6.27	7.56
<b>Adjustments for:</b>					
Depreciation and amortization	29.14	10.98	4.87	3.52	2.98
Preliminary Expenses	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Profit/loss on sale of fixed assets	-	-	-	-	-
Employees GLIC	-	-	-	-	-
Provision for deferred tax liability	(5.30)	3.10	3.88	0.67	1.45
Excess Depreciation written back	-	-	-	-	-
Prior period Expense (Income)	-	-	-	-	-
Rent Received	-	-	(6.87)	-	-
Finance costs	14.22	7.82	2.40	12.00	9.25
Interest Received					
<b>Operating Profit before Working capital changes</b>	<b>76.45</b>	<b>45.97</b>	<b>32.20</b>	<b>22.45</b>	<b>21.23</b>
<b>Adjusted for:</b>					
Inventories	-	-	-	-	-
Trade receivables	(2.49)	36.41	(29.77)	(36.05)	(6.38)
Long Term Loans & Advances	-	-	43.20	(43.20)	7.89
Other Non-current Assets	-	-	-	-	-
Short-term loans and advances	(20.05)	(33.61)	(2.90)	21.26	(0.42)
Short Term borrowings	(4.75)	41.39	38.65	33.13	35.03

<b>Other current assets</b>	-	-	-	-	-
Trade payables	(4.44)	1.40	14.54	7.72	-
Other current liabilities	(42.62)	25.98	35.63	22.37	11.00
Short term provisions	44.92	4.08	18.12	1.33	3.68
Cash Generated from Operations	47.03	121.61	149.68	29.02	72.03
Taxes paid	22.46	7.67	10.13	2.13	2.93
<b>Net Cash Generated from Operations</b>	<b>24.57</b>	<b>113.94</b>	<b>139.55</b>	<b>26.89</b>	<b>69.10</b>
<b>B. Cash flow from investing activities</b>					
Additions to Fixed assets	-	(17.54)	(44.60)	(10.96)	(1.50)
Sale of Fixed assets	-	-	3.77	-	-
Addition in Capital work-in-progress	(41.20)	(105.38)	(104.77)	-	-
Purchase of Investments	-	-	-	-	-
Sale of Fixed assets	-	-	-	-	-
Interest Received	-	-	-	-	-
Rent Received	-	-	6.87	-	-
Proceeds from sale of long term investment	-	-	-	-	-
Net cash used in investing activities:	(41.20)	(122.92)	(146.26)	(10.96)	(1.50)
<b>C. Cash flow from financing activities</b>					
Shares Issue during the year	41.33	-	21.00	-	-
Security Premium on shares issue	11.08	-	-	-	-
Share application money pending allotment	-	-	-	-	-
Proceeds/(Repayments) from long-term borrowings	(0.85)	(0.82)	6.20	-	(60.77)
Proceeds /(repayments) from other short-term borrowings	-	-	-	-	2.11

Interest Income	-	-	-	-	-
Finance cost	(14.22)	(7.82)	(2.40)	(12.00)	(9.25)
<b>Net cash used in financing activities</b>	<b>37.33</b>	<b>(8.64)</b>	<b>24.80</b>	<b>(12.00)</b>	<b>(67.91)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>20.70</b>	<b>(17.61)</b>	<b>18.10</b>	<b>3.93</b>	<b>(0.32)</b>
Cash and cash equivalents at the beginning of the year	5.60	23.21	5.11	1.18	1.50
Cash and cash equivalents at the end of the year	26.30	5.60	23.21	5.11	1.18



**THE ISSUE**

Particulars	Number of Equity Shares
Equity Shares Offered	6,08,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 86/- per Equity Share aggregating Rs. 522.88 lakhs.
Fresh Issue Consisting of	
Issue Reserved for Market Makers	32,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 86/- per Equity Share aggregating Rs. 27.52 lakhs.
Net Issue to the Public	5,76,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 86/- per Equity Share aggregating Rs. 495.36 lakhs.
	of which:
	2,88,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 86/- per Equity Share will be available for allocation to investors up to Rs. 2.00 Lakhs
	2,88,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 86/- per Equity Share will be available for allocation to investors above Rs. 2.00 Lakhs
Equity Shares outstanding prior to the Issue	16,73,250 Equity Shares
Equity Shares outstanding after the Issue	22,81,250 Equity Shares
Objects of the Issue	See the chapter titled “Objects of the Issue” on page 82 of this Draft Prospectus.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. The Issue is being made through the Fixed Price Process and hence, as per Regulation 43, sub regulation (4) of SEBI (ICDR) Regulations, at least 50% of the Net Issue to Public will be available for allocation on a proportionate basis to Retail Individual Applicants, subject to valid Applications being received at the Issue Price.

For further details please refer to chapter titled “Issue Structure” beginning on page 211 of this Draft Prospectus.

## GENERAL INFORMATION

Our Company was incorporated as Husys Consulting Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated August 24, 2005 in Hyderabad, Subsequently, our Company was converted into public limited company pursuant to which the name of our Company was changed to “Husys Consulting Limited” vide fresh certificate of incorporation dated August 06, 2015. Our Company got listed on Emerge Institutional Trading Platform of National Stock Exchange of India Limited (NSE) on August 21, 2015. Further, our Company has made an application for delisting from on Emerge Institutional Trading Platform of NSE vide letter dated April 25, 2016 and shall be delisted with effect from June 09, 2016 vide letter no. NSE/LIST/73566 dated May 19, 2016.

For further details please refer to chapter titled ‘Our History and Certain Other Corporate Matters’ beginning on page 117 of this Draft Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

#### HUSYS CONSULTING LIMITED

1-8-505/D/E/A, Husys House,  
Prakash Nagar Extension, Begumpet,  
Hyderabad- 500016, Telengana.

**Tel:** +91- 40 6519 5632

**Email:** corp.affairs@husys.net

**Website:** www.husys.net

**Registration Number:** 047222

**Corporate Identification Number:** U74140TG2005PLC047222

### REGISTRAR OF COMPANIES

#### REGISTRAR OF COMPANIES, HYDERABAD

2<sup>nd</sup> Floor, Corporate Bhawan,  
GSI Post, Tattiannaram Nagole,  
Bandlaguda, Hyderabad - 500068, Andhra Pradesh

**Website:** www.mca.gov.in

### DESIGNATED STOCK EXCHANGE

#### EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LTD (NSE)

Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai - 400051

For details in relation to the changes to the name of our Company, please refer to the chapter titled, “*Our History and Certain Other Corporate Matters*” beginning on page 117 of this Draft Prospectus.

**BOARD OF DIRECTORS OF OUR COMPANY**

Sr. No.	Name	Age	DIN	Address	Designation
1.	Mr. Gundlapally Ramalinga Reddy	47	00559079	H.NO. 18-8-395/A, Narahari Nagar, Uppuguda, Hyderabad-500053, Andhra Pradesh	Managing Director
2.	Mrs. Gundlapally Praveena	40	00559136	H.NO.18-8-395/A, Uppuguda, Falaknuma, Chatrinaka, Hyderabad- 500053, Andhra Pradesh	Whole-time Director
3.	Ms. Geeta Goti	50	06866598	Flat No. 403, Phase II, Modern Towers, Vidyanagar Hyderabad- 500044, Andhra Pradesh	Executive Director
4.	Mr. Biju Varkkey	50	01298281	Kurichiyathu, No 4, Paulabro Building, Near Cusat Gate, South Kalamasserry 682022-Kerala	Independent & Non-Executive Director
5.	Mrs. Nina Elizabeth Woodard	69	00754603	922, Wentworth Circle, Vista, California- 92081, United States of America.	Independent & Non-Executive Director
6.	Mr. Atal Bihari Malviya	38	02061495	3 Blake Court, 4 Dodd Road, Watford, United Kingdom, WD24 5DB.	Independent & Non-Executive Director

For further details of our Directors, please refer to the chapter titled “Our Management” beginning on page 121 of this Draft Prospectus.

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

**HARSHITA JAIN**

**HUSYS CONSULTING LIMITED**

1-8-505/D/E/A, Husys House,  
Prakash Nagar Extension, Begumpet,  
Hyderabad- 500016, Telengana.

**Tel:** +91- 40 65195632

**Email:** harshita.j@husys.net

**Investors may contact the Compliance Officer and / or the Registrar to the Issue and / or the LM to the Issue in case of any Pre-Issue or Post- Issue related matter such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, unblocking of amount in ASBA etc.**

**All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares**

applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant.

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

#### **CHIEF FINANCIAL OFFICER**

**FRANCIS PAUL**

**HUSYS CONSULTING LIMITED**

1-8-505/D/E/A, Husys House,  
Prakash Nagar Extension, Begumpet,  
Hyderabad- 500016, Telengana.

**Tel:** +91- 040- 6519 5632

**Email:** paul.f@husys.net

#### **STATUTORY AUDITORS**

**JBRK & CO.**

118, Maruthi Complex, 5<sup>th</sup> Floor,  
Raj Bhavan Road, Somajiguda,  
Hyderabad – 500033, Telangana.

**Tel:** +91-040-40023410

**E-mail:** jbrk.co@gmail.com

**Contact Person:** Mr. Sai Bhaskar K.

**Firm Registration No.:** 005775S

**Membership No.:** 201048

#### **PEER REVIEW AUDITORS**

**MINESH ANAND & ASSOCIATES**

HIG A1, CGHB Complex,  
Opp. New Bus Stand,  
Durg– 491001, Chhattisgarh

**Tel:** +91-771-2432538/39

**Email:** minesh.jain@gmail.com

**Contact Person:** Mr. Minesh Kumar Jain

**Firm Registration No:** 0117196

**Membership No.:** 400283

**LEAD MANAGER TO THE ISSUE**

**SARTHI CAPITAL ADVISORS PRIVATE LIMITED**

159/11, Amar Brass Compound

Vidya Nagari Marg, Kalina,

Santacruz (E), Mumbai – 400098

**Tel:** (022) 26528671/72

**Fax:** (022) 26528673

**Contact Person:** Mr. Deepak Sharma

**Email:** ipo@sarthiwm.in

**SEBI Registration No.:** INM000012011

Unit No. 411, Fourth Floor, Pratap Bhavan,

5-Bahadur Shah Zafar Marg,

New Delhi-110002

**Tel:** (011) 23739425-27

**Fax:** (011) 23739424

**Contact Person:** Mr. Anand Lakhotia

**REGISTRAR TO THE ISSUE**

**KARVY COMPUTERSHARE PRIVATE LIMITED**

Karvy Selenium Tower B, Plot No. 31-32,

Gachibowli, Financial District,

Nanakramguda, Hyderabad-500032.

**Tel:** +91-040-6716 2222

**Fax:** +91-040- 2343 1551

**E-mail:** einward.ris@karvy.com

**Contact Person:** Mr. M. Murli Krishna

**SEBI Registration No.:** INR000000221

**SECRETARIAL AUDITORS**

**R & A ASSOCIATES**

**Company Secretaries**

T202, Technopolis, 1-10-74/B,

Above Ratnadeep Super Market,

Chikoti Gardens, Begumpet, Hyderabad- 500016

**Tel:** + 91- 40- 4003 2244 - 47

**E-mail:** rashida@rna-cs.com

**Contact Person:** Ms. Rashida Adenwala

**Membership No.:** 4020

**Certificate of Practice No.:** 2224

**LEGAL ADVISOR TO THE ISSUE**

**ANURAG LAKHOTIA**

AD-73, B, Shalimar Bagh,

New Delhi-110088

**Tel:** +91-9910081392

**E-mail:** anuraglakhotia@gmail.com

**Contact Person:** Mr. Anurag Lakhotia

**BANKERS TO THE COMPANY**

**BANK OF INDIA**

H.No. 3-4-215, R K Complex,

Kachiguda Station Road,

Hyderabad – 500027

**Tel:** +91-040-27564456/, 27568957, 27587972

**Fax :**+91-040-27563035

**Email:** kachiguda.hyderabad@bankofinida.co.in

**Contact Person:** Mr. P. V. Sudhakar

**BANKERS TO THE ISSUE/ PUBLIC ISSUE BANK**

*[Will be finalized before filing of Final Prospectus]*

*[ADDRESS]*

**Tel:** [ ● ]

**Fax:** [ ● ]

**Email:** [ ● ]

**Contact Person:** [ ● ]

**SEBI Registration No.:** [ ● ]

**REFUND BANKER**

*[Will be finalized before filing of Final Prospectus]*

*[ADDRESS]*

**Tel:** [ ● ]

**Fax:** [ ● ]

**Email:** [ ● ]

**Contact Person:** [ ● ]

**SEBI Registration No.:** [ ● ]

**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 <http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self->

Certified-Syndicate-Banks-under-theASBAfacility. For details on Designated Branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

## CREDIT RATING

This being an issue of Equity shares, credit rating is not required.

## IPO GRADING

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

## APPRAISAL AND MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50,000 Lakhs. Since the Issue size is only of Rs. 522.88 lakhs, our Company has not appointed any monitoring agency for this Issue. However, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

## INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Sarthi Capital Advisors Pvt. Ltd. is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not applicable.

## EXPERT OPINION

Except the report of the Statutory Auditor on statement of tax benefits included in this Draft Prospectus, our Company has not obtained any other expert opinion.

## DEBENTURE TRUSTEE

Since this is not a debenture issue, appointment of debenture trustee is not required.

## UNDERWRITER

Our Company and LM to the issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated April 19, 2016, pursuant to the terms of the underwriting agreement; the obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue.

Name and Address of the Underwriter	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
<b>Sarthi Capital Advisors Private Limited</b> 159/11, Amar Brass Compound, Vidya Nagari Marg, Kalina, Santacruz (E), Mumbai - 400098 <b>Tel:</b> (022) 26528671/72 <b>Fax:</b> (022) 26528673 <b>Email:</b> ipo@sarthiwm.in <b>Contact Person:</b> Mr. Deepak Sharma <b>SEBI Registration No.:</b> INM000012011	6,08,000	522.88	100.00
<b>Total</b>	<b>6,08,000</b>	<b>522.88</b>	<b>100.00</b>

In the opinion of the Board of Directors of the Company, the resources of the above mentioned underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. Further, the underwriter shall be paid a commission at the rate of 0.50% of the net offer to the public.

#### **DETAILS OF THE MARKET MAKING ARRANGEMENT**

Our Company and the Lead Manager have entered into a tripartite agreement dated April 19, 2016 with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfill the obligations of Market Making:

#### **WEALTH FIRST PORTFOLIO MANAGERS LIMITED**

Capitol House, 10 Paras-II, Near Campus Cornor,

Prahalad Nagar, Anand Nagar,

Ahmedabad – 380051, Gujarat, India.

**Tel:** 079-40240000

**Fax:** 079-40240072

**E-mail:** compliance@wealthfirst.biz, manish@wealthfirst.biz

**Contact Person:** Mr. Manish Kansara

**SEBI Registration No.:** INB231346330

Wealth First Portfolio Managers Limited, registered with SME segment (NSE-EMERGE) of NSE will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by the NSE and SEBI in 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 years from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25 % of Issue Size (Including the 32,000 Equity Shares out to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 32,000 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, 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. At this stage, Wealth First Portfolio Managers Limited is acting as the sole Market Maker.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
8. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving one month 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(s) 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 Maker(s) 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 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

11. Emergence of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
12. Emergence of NSE 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(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

13. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

## CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Prospectus before and after the issue is set forth below:

(Rs. In Lakhs except share data)

Sr. No.	Particulars	Aggregate Value	
		Face Value	Issue Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	50,00,000 Equity Shares of face value of Rs. 10/- each	500.00	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		
	16,73,250 fully paid up Equity Shares of face value of Rs. 10/- each	167.33	
<b>C</b>	<b>PRESENT ISSUE IN TERMS OF DRAFT PROSPECTUS*</b>		
	6,08,000 Equity Shares of face value of Rs. 10/- each	60.80	522.88
	Which comprises of		
	32,000 Equity Shares of face value of Rs.10/- each at a premium of Rs.76/- per Equity Share reserved as Market Maker Portion	3.20	27.52
	Net Issue to Public of 5,76,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 76/- per Equity Share to the Public	57.60	495.36
	Of which		
	2,88,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 76/- per Equity Share will be available for allocation to Investors up to Rs. 2.00 Lakhs	28.80	247.68
	2,88,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 76/- per Equity Share will be available for allocation to Investors above Rs. 2.00 Lakhs	28.80	247.68
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE</b>		
	22,81,250 Equity Shares of face value of Rs. 10/- each	228.13	

<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>	
	Before the Issue	11.08
	After the Issue	473.16

*\*The Issue has been authorized pursuant to a resolution of our Board dated March 18, 2016 and by Special Resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on March 21, 2016.*

The Company has only one class of share capital i.e. Equity Shares of face value of Rs.10/- each only. All Equity Shares issued are fully paid-up.

Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

#### NOTES TO THE CAPITAL STRUCTURE:

History of change in authorized Equity Share capital of Our Company

- The Initial authorized Share Capital of Rs. 1,00,000 (Rupees One Lakh only) consisting of 10,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 25,00,000 (Rupees Twenty Five Lakhs only) consisting of 2,50,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated November 16, 2007.
- The authorized share capital of Rs. 25,00,000 (Rupees Twenty Five Lakhs only) consisting of 2,50,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 50,00,000 (Rupees Fifty Lakhs only) consisting of 5,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated March 17, 2008.
- The authorized share capital of Rs. 50,00,000 (Rupees Fifty Lakhs only) consisting of 5,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 65,00,000 (Rupees Sixty Five Lakhs only) consisting of 6,50,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated February 03, 2014.
- The authorized share capital of Rs. 65,00,000 (Rupees Sixty Five Lakhs only) consisting of 6,50,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 2,50,00,000 (Rupees Two Crore Fifty Lakhs only) consisting of 25,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated July 01, 2014.
- The authorized share capital of Rs. 2,50,00,000 (Rupees Two Crore Fifty Lakhs only) consisting of 25,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 5,00,00,000 (Rupees Five Crore only) consisting of 50,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated September 18, 2015.

#### 1. Equity Share Capital History:

Date of Allotment of the Equity shares	No. of Equity Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares	Cumulative Paid up Capital
Since Incorporation	10,000	10	10	Subscription to MOA <sup>(1)</sup>	Cash	10,000	1,00,000
April 30, 2008	4,10,000	10	10	Allotment of Equity Shares <sup>(2)</sup>	Cash	4,20,000	42,00,000

February 10, 2014	2,10,000	10	10	Allotment of Equity Shares <sup>(3)</sup>	Cash	6,30,000	63,00,000
October 15, 2014	6,30,000	10	Nil	Bonus Issue <sup>(4)</sup>	Consideration other than cash	12,60,000	1,26,00,000
December 31, 2015	4,13,250	10	12.68	Preferential Allotment <sup>(5)</sup>	Cash	16,73,250	1,67,32,500

<sup>(1)</sup> Initial Subscribers to Memorandum of Association hold 10,000 Equity Shares each of face value of Rs. 10/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Gundlapally Ramalinga Reddy	5,000
2.	Gundlapally Praveena	5,000
	<b>Total</b>	<b>10,000</b>

<sup>(2)</sup> The Company allotted 4,10,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Gundlapally Ramalinga Reddy	2,05,000
2.	Gundlapally Praveena	2,05,000
	<b>Total</b>	<b>4,10,000</b>

<sup>(3)</sup> The Company allotted 2,10,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Gundlapally Ramalinga Reddy	98,000
2.	Gundlapally Praveena	1,12,000
	<b>Total</b>	<b>2,10,000</b>

- (4) The Company allotted 6,30,000 Equity Shares as Bonus Shares of face value of Rs. 10/- each in the ratio of 1 Equity Share for every 1 Equity share held as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Gundlapally Ramalinga Reddy	3,08,000
2.	Gundlapally Praveena	3,22,000
	<b>Total</b>	<b>6,30,000</b>

- (5) The Company allotted 4,13,250 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 2.68 per share of Preferential Allotment as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Gundlapally Ramalinga Reddy	4,13,250
	<b>Total</b>	<b>4,13,250</b>

2. Issue of Equity Shares for consideration other than cash (Issue of Bonus Shares)

Date of allotment	Number of Equity Shares	Face value (Rs.)	Issue Price(Rs.)	Nature of Consideration	Reasons for allotment	Allottees	No. of Shares Allotted
October 15, 2014	6,30,000	10	Nil	Other than Cash	Bonus issue of Equity Shares in the ratio of 1:1	Gundlapally Ramalinga Reddy	3,08,000
						Gundlapally Praveena	3,22,000
						<b>Total</b>	<b>6,30,000</b>

3. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act.

4. We have not issued any equity shares in last one year at price below Issue Price except as mentioned below:

**Preferential Allotment of Equity Shares to Mr. Gundlapally Ramalinga Reddy**

Date of Allotment of the Equity shares	No. of Equity Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration
December 31, 2015	4,13,250	10	12.68	Preferential Allotment	Cash
<b>Total</b>	<b>4,13,250</b>				

5. Details of shareholding of promoters:

**A. Mr. Gundlapally Ramalinga Reddy**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	No. of Shares Pledged	% of Shares Pledged
On Incorporation	5,000	10	10	Subscription to MOA	0.30	0.22	0	0.00%
April 30, 2008	2,05,000	10	10	Allotment of Equity shares	12.25	9.00	0	0.00%
February 10, 2014	98,000	10	10	Allotment of Equity shares	5.86	4.30	0	0.00%
October 15, 2014	3,08,000	10	Nil	Bonus Issue	18.41	13.50	0	0.00%
November 14, 2015	(1,000)	10	70	Transferred to Gundlapally Venkat Reddy	(0.06)	(0.04)	0	0.00%
November 14, 2015	(3,575)	10	70	Transferred to Naresh Babu Deevi	(0.21)	(0.16)	0	0.00%
November 14, 2015	(3,575)	10	70	Transferred to Venkata Lakshmi Narsimha Murthy	(0.21)	(0.16)	0	0.00%
November 14, 2015	(5,000)	10	70	Transferred to Pandurangi Venkateshwar Rao	(0.30)	(0.22)	0	0.00%
November 14, 2015	(5,715)	10	70	Transferred to Parmi Lakshmi Narasimha Rao	(0.34)	(0.25)	0	0.00%
December 31, 2015	4,13,250	10	12.68	Preferential Allotment	24.70	18.12	0	0.00%
March 28, 2016	(14,500)	10	70	Transferred to T.S. Vijayaraghavan	(0.87)	(0.64)	0	0.00%

March 31, 2016	(14,500)	10	70	Transferred to Verghese Jacob	(0.87)	(0.64)	0	0.00%
April 01, 2016	(14,500)	10	70	Transferred to Suneetha Raghavendra	(0.87)	(0.64)	0	0.00%
April 05, 2016	(14,500)	10	70	Transferred to Ravindran Ganapathy	(0.87)	(0.64)	0	0.00%
May 09, 2016	(14,500)	10	70	Transferred to Jyotirmoy Bose	(0.87)	(0.64)	0	0.00%
<b>Total</b>	<b>9,37,885</b>				<b>56.05</b>	<b>41.11</b>	<b>0</b>	<b>0.00%</b>

**B. Mrs. Gundlapally Praveena**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	No. of Shares Pledged	% of Shares Pledged
On Incorporation	5000	10	10	Subscription to MOA	0.30	0.22	0	0.00%
April 30, 2008	2,05,000	10	10	Allotment of Equity shares	12.25	9.00	0	0.00%
February 10, 2014	1,12,000	10	10	Allotment of Equity shares	6.69	4.91	0	0.00%
October 15, 2014	3,22,000	10	Nil	Bonus Issue	19.24	14.10	0	0.00%
<b>Total</b>	<b>6,44,000</b>				<b>38.49</b>	<b>28.23</b>	<b>0</b>	<b>0.00%</b>

6. Our Promoter Group, Directors and their immediate relatives have not purchased/sold Equity Shares of the Company during last 6 months except as mentioned below:

**a) Transfer of Equity Shares by Mr. Gundlapally Ramalinga Reddy:**

Sr. No.	Name of Transferor	Name of Transferee	Date of Transfer	No. of Shares	Transfer Price Per Equity Shares (In Rs.)
1.	Gundlapally Ramalinga Reddy	Gundlapally Venkat Reddy	November 14, 2015	1,000	70
2.	Gundlapally Ramalinga Reddy	Naresh Babu Deevi	November 14, 2015	3,575	70
3.	Gundlapally Ramalinga Reddy	Venkata Lakshmi Narsimha Murty Malladi	November 14, 2015	3,575	70
4.	Gundlapally Ramalinga Reddy	Pandurangi Venkateshwar Rao	November 14, 2015	5,000	70
5.	Gundlapally Ramalinga Reddy	Parmi Lakshmi Narasimha Rao	November 14, 2015	5,715	70
6.	Gundlapally Ramalinga Reddy	T. S. Vijayaraghavan	March 28, 2016	14,500	70
7.	Gundlapally Ramalinga Reddy	Vergheese Jacob	March 31, 2016	14,500	70
8.	Gundlapally Ramalinga Reddy	Suneetha Raghavendra	April 01, 2016	14,500	70
9.	Gundlapally Ramalinga Reddy	Ravindran Ganapathy	April 05, 2016	14,500	70
10.	Gundlapally Ramalinga Reddy	Jyotirmoy Bose	May 09, 2016	14,500	70
				<b>91,365</b>	

7. Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
8. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchange.



9. Details of Promoter’s Contribution locked in for three years:

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

Our Promoters Mr. Gundlapally Ramalinga Reddy and Mrs. Gundlapally Praveena have granted consent to include such number of Equity Shares held by him as may constitute 21.88 % of the post-issue Equity Share Capital of our Company as Promoter’s Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter’s Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above.

Date of allotment	Date when made fully paid up	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	% of Post Issue Capital
<b>Mr. Gundlapally Ramalinga Reddy</b>						
October 15, 2014	October 15, 2014	2,49,600	10	NIL	Bonus Share	10.94
<b>Mrs. Gundlapally Praveena</b>						
October 15, 2014	October 15, 2014	2,49,600	10	NIL	Bonus Share	10.94
<b>Total</b>		<b>4,99,200</b>				<b>21.88</b>

We further confirm that the aforesaid 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 Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- The Equity Shares held by the Promoter and offered for minimum Promoter’s 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 Promoter’s Contribution subject to lock-in.
- Equity shares issued to our Promoters on conversion of partnership firm into Private limited company.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The Promoter’s 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 Promoter’s 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 Promoter 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 Regulations, as applicable.

10. Details of share capital locked in for one year

In addition to minimum 20% of the Post-Issue shareholding of our Company held by the Promoter (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, the entire pre-issue share capital of our Company 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, 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 Regulations.

A. The table below represents the current shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015:

I. Summary of Shareholding Pattern

Category Code	Category of shareholder	No. Of shareholders	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	Share holding as a % of total no. of shares (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital)  As a % of (A+B+C2)	Number of locked in Shares**		Number of Shares pledged or otherwise encumbered		Number of shares held denominated in foreign currency
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class X	Class Y	Total								
I	II	III	IV	V	VI	VII=I+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoter and Promoter Group	3	15,82,885	-	-	15,82,885	94.60	15,82,885	0	15,82,885	94.60	-	94.60	15,82,885	94.60	-	-	15,82,885

(B)	Public	9	90,365	-	-	90,365	5.40	90,365	0	90,365	5.40	-	5.40	90,365	5.40	-	-	90,365
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>12</b>	<b>16,73,250</b>	<b>-</b>	<b>-</b>	<b>16,73,250</b>	<b>100.00</b>	<b>16,73,250</b>	<b>0</b>	<b>16,73,250</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>16,73,250</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>16,73,250</b>

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

\*\*Shall be locked-in on or before the date of allotment in this Issue.

II. Shareholding Pattern of promoter and Promoter Group

	Category & name of shareholder (I)	PAN (II)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2) (XI) = (VII)+(X)	Number of locked in Shares** (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of shares held in dematerialized form (XIV)
									No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
									Class : X	Class : Y	Total								
(1)	Indian																		

(a)	Individual/ Hindu Undivided Family		3	15,82,885	-	-	15,82,885	94.60	15,82,885	-	15,82,885	94.60	-	94.60	15,82,885	94.60	-	-	15,82,885
	Gundlapally Ramalinga Reddy	ACWPG 9793J	1	9,37,885	-	-	9,37,885	56.05	9,37,885	0	9,37,885	56.05	-	56.05	9,37,885	56.05	-	-	9,37,885
	Gundlapally Praveena	AJAPG2 020M	1	6,44,000	-	-	6,44,000	38.49	6,44,000	0	6,44,000	38.49	-	38.49	6,44,000	38.49	-	-	6,44,000
	Gundlapally Venkat Reddy	ANVPG2 317A	1	1,000	-	-	1,000	0.06	1,000	0	1,000	0.06	-	0.06	1,000	0.06	-	-	1,000
(b)	Central Government /State Government (s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions /Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any other (Body Corporate)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# Husys

HR Function Management Company

	<b>Sub-total (A) (1)</b>	-	3	15,82,885	-	-	15,82,885	94.60	15,82,885	0	15,82,885	94.60	-	94.60	15,82,885	94.60	-	-	15,82,885
(2)	<b>Foreign</b>																		
(a)	Individual (Non-Resident Individual/ Foreign Individual)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<b>Total Shareholding of Promoter and Promoter Group</b> (A)=(A)(1) +(A)(2)	-	3	15,82,885	-	-	15,82,885	94.60	15,82,885	0	15,82,885	94.60	-	94.60	15,82,885	94.60	-	-	15,82,885
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*\*As on the date of this Draft Prospectus 1 Equity Shares holds 1 vote.*

*\*\*Shall be locked-in on or before the date of allotment in this Issue.*



III. Shareholding Pattern of the Public shareholder.

	Category & name of shareholder	PAN	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares**		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
									No. of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total shares held (B)	No.	As a % of total shares held (B)	
									Class : X	Class : Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)=(IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(VII)+(X)	(XII)		(XIII)		(XIV)
(1)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(2)	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Individuals-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	-	9	90,365	-	-	90,365	5.40	90,365	0	90,365	5.40	90,365	5.40	90,365	5.40	-	-	90,365
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub-Total (B)(3)	-	9	90,365	-	-	90,365	5.40	90,365	0	90,365	5.40	90,365	5.40	90,365	5.40	-	-	90,365
	<b>Total Public Shareholding (B)-(B)(1)+(B)(2)+(B)(3)</b>	-	<b>9</b>	<b>90,365</b>	-	-	<b>90,365</b>	<b>5.40</b>	<b>90,365</b>	<b>0</b>	<b>90,365</b>	<b>5.40</b>	<b>90,365</b>	<b>5.40</b>	<b>90,365</b>	<b>5.40</b>	-	-	<b>90,365</b>

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

*\*\*Shall be locked-in on or before the date of allotment in this Issue.*

IV. Shareholding pattern of the Non Promoter- Non Public shareholder

	Category & name of shareholder	P A N	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
									No. of Voting Rights			Total as a % of Total Voting rights			N o. (a )	As a % of total shares held (B)	No. (Not Applicable)	As a % of total shares held (Not Applicable)	
									Class : X	Class : Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)=(IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(VI)+(X)	(XII)		(XIII)		(XIV)	
(1)	Custodian/DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(a)	Name of DR Holder (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Non-Promoter-Non Public Shareholding (C)=(C)(1)+(C)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*\*In terms of SEBI circular bearing no. Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/Cir/ISD/ 05 /2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, have to be dematerialized. Accordingly, our Company has dematerialized all the existing shares of the Company.*

*Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015 one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of NSE (National Stock Exchange of India Limited) before commencement of trading of such Equity Shares.*

## B. Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group. (Individuals and Companies)

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	<b>Promoters</b>				
1.	Gundlapally Ramalinga Reddy	9,37,885	56.05	9,37,885	41.11
2.	Gundlapally Praveena	6,44,000	38.49	6,44,000	28.23
	<b>Promoter Group</b>				
1.	Gundlapally Venkat Reddy	1,000	0.06	1,000	0.04
	<b>Total</b>	<b>15,82,885</b>	<b>94.60</b>	<b>15,82,885</b>	<b>69.38</b>

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Gundlapally Ramalinga Reddy	9,37,885	3.26
Gundlapally Praveena	6,44,000	5.00

### Equity Shares held by top Ten shareholders

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

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1.	Gundlapally Ramalinga Reddy	9,37,885	56.05
2.	Gundlapally Praveena	6,44,000	38.49
3.	T. S. Vijayaraghavan	14,500	0.87
4.	Vergheese Jacob	14,500	0.87
5.	Suneetha Raghavendra	14,500	0.87

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
6.	Ravindran Ganapathy	14,500	0.87
7.	Jyotirmoy Bose	14,500	0.87
8.	Parmi Lakshmi Narasimha Rao	5,715	0.34
9.	Pandurangi Venkateshwar Rao	5,000	0.30
10.	Naresh Babu Deevi	3,575	0.21
	<b>Total</b>	<b>16,68,675</b>	<b>99.74</b>

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

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1.	Gundlapally Ramalinga Reddy	9,37,885	56.05
2.	Gundlapally Praveena	6,44,000	38.49
3.	T. S. Vijayaraghavan	14,500	0.87
4.	Verghese Jacob	14,500	0.87
5.	Suneetha Raghavendra	14,500	0.87
6.	Ravindran Ganapathy	14,500	0.87
7.	Jyotirmoy Bose	14,500	0.87
8.	Parmi Lakshmi Narasimha Rao	5,715	0.34
9.	Pandurangi Venkateshwar Rao	5,000	0.30
10.	Naresh Babu Deevi	3,575	0.21
	<b>Total</b>	<b>16,68,675</b>	<b>99.74</b>

Our top Two\* shareholders and the number of Equity Shares held by them two years prior to date of this Draft Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of then existing capital
1.	Gundlapally Ramalinga Reddy	3,08,000	48.89
2.	Gundlapally Praveena	3,22,000	51.11
	<b>Total</b>	<b>6,30,000</b>	<b>100.00</b>

\*Our Company had only Two shareholders two years prior to the date of this Draft Prospectus.



11. 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 this Draft Prospectus.
12. The Equity Shares, which are subject to lock-in, shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.
13. As on the date of this Draft Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
14. Except, as otherwise disclosed in the chapter titled "Objects of the Issue" beginning on page 82 of this Draft Prospectus, we have not raised any bridge loans against the proceeds of the Issue.
15. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" beginning on page 219 of this Draft Prospectus.
16. The Equity Shares Issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.
17. Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Draft Prospectus except as mentioned below:

**Preferential Allotment of Equity Shares to Mr. Gundlapally Ramalinga Reddy**

Date of Allotment of the Equity shares	No. of Equity Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration
December 31, 2015	4,13,250	10	12.68	Preferential Allotment	Cash
<b>Total</b>	<b>4,13,250</b>				

18. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
19. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and NSE Emerge Platform.
20. 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 lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
21. The Issue is being made through Fixed Price Method.
22. As on date of filing of this Draft Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
23. On the date of filing of this Draft Prospectus with Stock Exchange, 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.

24. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
25. Lead Manager to the Issue viz. Sarthi Capital Advisors Private Limited and its associates do not hold any Equity Shares of our Company.
26. Our Company has not revalued its assets since incorporation.
27. Our Company has not made any Public Issue of any kind or class of securities since its incorporation. However it was listed on Institutional Trading platform of NSE Emerge.
28. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
29. Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
30. 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 Draft Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
31. Except as disclosed in this Draft 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.
32. Our Company at its Extra Ordinary General meeting held on March 21, 2016 had approved Husys Employee Stock option Scheme, 2016 for employees. We do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue.
33. 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.
34. 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.
35. Our Company has Twelve (12) shareholders as on the date of filing of this Draft Prospectus.

## OBJECTS OF THE ISSUE

This Issue is being undertaken to meet the objects, as set forth herein, and to realise the benefits of listing of our Equity Shares on Stock Exchange, which in our opinion would enhance our Company's brand name and create public market of our Equity Shares in India.

The Net Proceeds of the Issue, after deducting issue related expenses, are estimated to be approximately Rs 477.88 Lakhs.

The Net Proceeds from the Issue are proposed to be utilised by our Company for the following objects:

1. To repay existing working capital facilities of our Company;
2. Development of Cloud based HR Software Platform and Upgradation of the existing IT infrastructure for 4 existing branches and 4 new branches;
3. Float 4 New Branches and Upgradation of the existing Office infrastructure;
4. Domestic and International Marketing and Business Development;
5. General Corporate Purposes.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which funds are being raised through this Issue. Further, we confirm that the existing activities which we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

### FUND REQUIREMENTS

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

Sr. No.	Particulars	Amount (Rs. in Lakhs)
1.	To repay existing working capital facilities of our Company	165.00
2.	Development of Cloud based HR Software Platform and Upgradation of the existing IT infrastructure for 4 existing branches and 4 new branches	160.00
3.	Float 4 New Branches and Upgradation of the existing Office infrastructure	40.00
4.	Domestic and International Marketing and Business Development	50.00
5.	General Corporate Purposes	62.88
6.	Issue Expenses*	45.00
<b>Total</b>		<b>522.88</b>
<b><u>Means of Finance</u></b>		
1.	Public Issue Proceeds	<b>522.88</b>
<b>Total</b>		<b>522.88</b>

*\* Our Company has incurred Rs. 3,01,250/- as issue expenses till May 09, 2016. The same has been certified by our Statutory Auditors, JBRK & Co., Chartered Accountants vide their certificate dated May 09, 2016.*

*The above Object of the Issue authorised by the Board of Directors pursuant to its Resolution passed on May 24, 2016.*

The objects of the Issue detailed above are proposed to be funded from the Proceeds of the Issue and the amount expended thereon till date has been funded out of Internal Accruals. Accordingly, we confirm that there is no requirement for us to make any further arrangements for financing the same through any verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

The fund requirement as stated in the table above is based on our internal management estimates. In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned

expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the overall objects. In case of any such re-schedulement, it shall be made by compliance of the relevant provisions of the Companies Act, 1956 / Companies Act, 2013.

While we intend to utilise the Net Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements.

No part of the proceeds of this issue will be paid as consideration to our promoters, directors, key managerial employees or group concerns/companies promoted by our promoters.

**DETAILS OF USE OF THE PROCEEDS**

**1. To repay existing working capital facilities of our Company**

We funded the majority of our working capital facilities in the ordinary course of business from internal accruals of the Company, financing from Bank of India (particularly the overdraft facilities against Hypothecation of Book debts and other current assets). Company’s working capital facility consisted of aggregate fund based limits of Rs. 195.00 Lakhs as on March 31, 2016 sanctioned vide letter dated May 13, 2016 by Bank of India Kachiguda Branch, Hyderabad.

Our Company proposes to clear the Overdraft facilities to the tune of Rs. 165.00 Lakhs secured against Hypothecation of Debtors, utilized and consumed as on date and to maintain as debt free company and run business on internal accruals in Fiscal year 2016-17 onwards.

**2. Development of Cloud Based HR Software Platform and Upgradation of the existing IT Infrastructure for 4 Branches and for 4 new Branches.**

Our Company proposes to utilise Rs.160.00 Lakhs from the Net Proceeds towards development of Cloud based HR Software and to setup our proprietary technology platform on HR Information, HR Collaboration Tools and HR Aggregation platforms and also upgrading our existing IT infrastructure for 4 branches and also for 4 new branches. Provided below are brief details of the costs to be incurred in upgradation of the existing IT infrastructure.

Activity	Expenses (Rs. in Lakhs)
Software Product Development	89.00
Servers	26.00
Laptops	35.00
Networking	10.00
<b>Total</b>	<b>160.00</b>

The above figures are based on various third party quotations by our Company from vendors.

For the purposes of purchasing above mentioned IT equipment, Software Product Development and services, we have received quotations from various vendors, which are valid as on the date of this Draft Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the IT equipment, software and services or at the same costs. The quantity of the equipment, software and services to be purchased is based on the estimates of our management.

Our Company shall have the flexibility to deploy such equipment, software and services at our existing and future centers, according to the business requirements of such centers and based on the estimates of our management.

### 3. Float 4 New Branches and Upgradation of the existing Office infrastructure

Our Company proposes to utilise Rs. 40 Lakhs from the Net Proceeds towards upgrading our existing office infrastructure and open 4 new Branches (Chennai, Cochin, Ahmedabad and Indore) Provided below are brief details of the costs to be incurred in upgradation of the existing office infrastructure.

Activity	Expenses (Rs. in Lakhs)
Set-up Cost for 4 Branches (Leased premises, Furniture & Fixtures, Office Equipments etc.)	30.00
Upgradation of existing 4 branches (Lease Premises, Painting of Office premises, Name Boards, office Furnitures & fixtures etc.)	10.00
<b>TOTAL</b>	<b>40.00</b>

The above figures are based on various third party quotations by our Company from vendors.

For the purposes of Set-up Cost for 4 Branches and Upgradation of existing 4 branches above mentioned services, we have received quotations from various vendors, which are valid as on the date of this Draft Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply of services or at the same costs. The quantity of the equipment and services to be purchased is based on the estimates of our management.

Our Company shall have the flexibility to deploy such equipment and services at our existing and future centers, according to the business requirements of such centers and based on the estimates of our management.

### 4. Domestic and International Marketing, Branding and Business Development

We intend to fund Rs. 50 Lakhs from the Net Proceeds for Domestic, International Marketing, Branding and Business Development purposes. Marketing & Branding is the key for our growth in the future. While listing we are getting the benefit of Visibility, we should be able to create Husys a brand with HR Services & Technology in India. The Market reach into international destinations to deliver in those geographies and also bring business into India is of important for high return growth. We need to create brand identity through Articles, Blogs, New Papers, electronic media and most importantly Internet world. We would partner with media houses to build the brand identity for better mileage and Business development to reach the clients directly through offline, online means to propose our business opportunity. We would focus on building repository of the 43 million SME businesses and the influencers for giving us the business. The data is used to reach and develop business for our organization.

While strengthening the Company's marketing capabilities for domestic and International, our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for marketing & branding. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a fiscal year, we will utilize such unutilized amount in the next fiscal year.

### 5. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating Rs 62.88 lakhs, if any, for general corporate purposes to drive our business growth, as may be approved by our management, including but not restricted to strategic initiatives, partnerships and meeting on going general corporate exigencies which our Company may face in ordinary course of business or any other purposes as may be approved by the Board.

## 6. Issue Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 45.00 Lakhs.

Expenses	Expenses (Rs. in Lakhs)	Expenses(% of total Issue expenses)	Expenses(% of Issue size)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Market Makers, Bankers etc.	34.00	75.56	6.50
Regulatory Fees & Other Expenses	11.00	24.44	2.10
<b>Total estimated Issue expenses</b>	<b>45.00</b>	<b>100.00</b>	<b>8.60</b>

### SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

The net proceeds of the issue proposed will be utilised towards the stated objects during FY 2016-17. Further, our Company has incurred the following expenditure on the project till May 09, 2016. The same has been certified by our Statutory Auditors, JBRK & Co., Chartered Accountants vide their certificate dated May 09, 2016.

(Rs. in Lakhs)

Particulars	Amount
Internal Accruals	3.01
<b>Total</b>	<b>3.01</b>

The above funds were deployed out of the Company's internal accruals.

### APPRAISAL BY APPRAISING AGENCY

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

### INTERIM USE OF FUNDS

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

### BRIDGE FINANCING FACILITIES

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

## MONITORING UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lakhs, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or companies promoted by the Promoter, except as may be required in the usual course of business.

## VARIATION IN OBJECTS

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

## BASIS FOR ISSUE PRICE

The Issue Price of Rs. 86/- per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10/- and Issue Price is Rs. 86/- per Equity Share and is 8.6 times the face value.

### QUALITATIVE FACTORS

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

- Established and proven track record;
- Leveraging the experience of our Promoters;
- Experienced management team and a motivated and efficient work force;
- Comprehensive understanding and successful track record with underserved customer segment offering significant growth opportunities;
- Standardized operating procedures and efficient use of technology resulting in effective risk management and improved efficiencies.
- Strong compliance practices that enable us to build longstanding relationships with clients.

For further details, refer to heading ‘*Our Strengths*’ under chapter titled ‘*Our Business*’ beginning on page 103 of this Draft Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2013-14, 2014-15 and 2015-16 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

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

Year ended	EPS (Rs.)	Weight
March 31, 2014	4.43	1
March 31, 2015	1.44	2
March 31, 2016	2.29	3
<b>Weighted Average</b>	<b>2.37</b>	

**Note:** The EPS has been computed by dividing net profit as restated, attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 86/- per Equity Share of face value of Rs. 10/- each.

Particulars	P/E Ratio
P/E ratio based on Basic EPS for FY 2015-16	37.55
P/E ratio based on Weighted Average EPS	36.29

#### 3. Average Return on Net worth (Ron) for the preceding three years.

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

Year ended	Ron (%)	Weight
March 31, 2014	21.43	1
March 31, 2015	15.59	2
March 31, 2016	15.66	3
<b>Weighted Average</b>	<b>16.60</b>	



**Note:** The Ron has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year excluding miscellaneous expenditure to the extent not written off.

**4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2016 – 7.78%**

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

Particulars	Amount (Rs.)
Net Asset Value per Equity Share as of March 31, 2016	14.65
Net Asset Value per Equity Share after the Issue	33.67
Issue Price per equity share	86.00

\*NAV per Equity Share has been calculated as Net Worth as divided by number of Equity Shares

**6. Comparison with other listed companies/Industry peers\***

Companies	Face Value	Sales (In Rs. cr.)	PAT (In Rs. Cr.)	EPS (In Rs.)	P/E Ratio	CMP (In Rs.)
Team Lease Services Ltd	10	1371.73	10.28	7.05	132.76	936.00

\*Source: www.bseindia.com

- The figures of Husys Consulting Limited are based on the restated results for the year ended March 31, 2016
- The figures for the Peer group are based on Standalone audited results for the Half Financial Year ended September 30, 2015.
- Current Market Price (CMP) is the closing prices of respective scrips as on May 25 , 2016

The Company in consultation with the Lead Manager and after considering various valuation fundamentals including Book Value and other relevant factors believes that the issue price of Rs. 86.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to pursue the Risk Factors beginning on page 20 of this Draft Prospectus and Financials of the company as set out in the Financial Statements beginning on page 143 of this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is Rs. 10/- per share and the Issue Price is 8.6 times of the face value i.e. Rs. 86/- per share.

For further details see “Risk Factors” beginning on page 20 of this Draft Prospectus and the financials of the Company including profitability and return ratios, as set out in the “Financial Statements” beginning on page 143 of this Draft Prospectus for a more informed view.

**STATEMENT OF TAX BENEFITS**

**Statement of possible tax benefits available to the company and its shareholders**

To,  
The Board of Directors  
**Husys Consulting Limited**  
1-8-505/D/E/A, Husys House,  
Prakash Nagar, Begumpet,  
Hyderabad, Telangana – 500016

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

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

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. 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, where applicable have been/would be met.
- The revenue authorities/courts will concur with the views expressed herein.

For **JBRK & Co.**  
Chartered Accountants  
**F.R.N. 005775S**

**Sai Bhaskar K.**  
**Partner**  
**M.No. 201048**

Place: Hyderabad  
Date: May 09, 2016

## ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO HUSYS CONSULTING LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2016-17 (Assessment Year 2017-18).

### A) Special Tax Benefits available to the Company.

There are no special tax benefits available to the Company under the provisions of the Income Tax Act, 1961.

### B) Other Benefits to the Company under the Income Tax Act, 1961 (The "Act")

#### A. Business Income

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.

#### B. MAT Credit

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- As per Section 115JB, Minimum Alternate Tax ("MAT") is payable @ 18.5% of the Book profits computed in accordance with the provisions of this section, where income-tax computed under the normal provisions of the Act is less than 18.5% of the Book profits as computed under the said section. A surcharge on income tax of 7% would be levied if the total income exceeds ₹ 10 million but does not exceed Rs 100 million. A surcharge at the rate of 12% would be levied if the total income exceeds Rs 100 million. Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge.
- MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to ten years succeeding the assessment year in which the MAT credit arises.

#### C. Capital Gains

##### (i) Computation of capital gains

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as long - term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty - six months to be considered as long - term capital assets.
- Short - term capital gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) is

exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
  - As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
  - As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bond exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
  - As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income
  - STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
  - As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
  - As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.
- (ii) Exemption of capital gains from income – tax
- Under Section 54EC of the Act, capital gain arising from transfer of long – term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by -:
    1. National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
    2. Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
  - Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 50,00,000 per assessee during any financial year.
  - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
  - As per provision of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
  - The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

## **D. Securities Transaction Tax**

As per provisions of Section 36(1) (xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

## **E. Dividends**

- As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax (DDT) at the rate of 15%. A surcharge of 12% would be levied on the amount of DDT. Further, Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge. Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O (1A) of the Act, subject to fulfillment of prescribed conditions.
- As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.
- As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of as specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.
- As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).

## **Benefits to the Resident members / shareholders of the Company under the Act**

### **A. Dividends exempt under section 10(34) of the Act**

As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge as applicable, on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend, in addition to the DDT leviable an additional tax at the rate of 10% on receipt of dividends exceeding Rs. 10 Lakhs has been levied. Such additional tax is levied on resident shareholders being an individual, HUF or a Firm (which includes LLP) and would be payable by the shareholder. Further, no deduction in respect of any expenditure or allowance or set off of loss would be allowed in computing such taxable dividend income.

### **B. Capital Gains**

#### **(i) Computation of capital gains**

- Capital assets are to be categorized into short - term capital assets and long - term capital assets based on the period of holding. All capital assets, being share held in a Company or any other securities listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long - term capital assets.
- STCG means capital gains arising from the transfer of capital asset being a share held in a Company or any other securities listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.

- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for thirty six months or less.
  - LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
  - As per first proviso to Section 48 of the Act, the capital gains arising on transfer of share of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration receiving or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.
  - As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% (plus applicable surcharge and cess) with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bond exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee. As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% (plus applicable surcharge and cess) provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
  - STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
  - As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long – term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
  - As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent 8 assessment years.
- (ii) Exemption of capital gains arising from income – tax
- As per Section 54EC of the Act, capital gains arising from the transfer of a long – term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
  - Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long - term asset cannot exceed Rs 5,000,000 per assessee during any financial year
  - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
  - As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
  - The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
  - In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').

- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

### **C. Tax Treaty Benefits**

As per provisions of Section 90 (2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

### **D. Non-Resident Taxation**

Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

## Benefits available to Foreign Institutional Investors ('FIIs') under the Act

### A. Dividends exempt under section 10(34) of the Act

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge as applicable on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

### B. Long – Term Capital Gains exempt under section 10(38) of the Act

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act. It is pursuant to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

### C. Capital Gains

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10%
STCG on sale of equity shares subjected to STT	15%
STCG on sale of equity shares not subjected to STT	30%

- For Corporate FIIs, the tax rates mentioned above stands increased by surcharge (as applicable) where the taxable income exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

### D. Securities Transaction Tax

As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

### E. Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors



**Benefits available to Mutual Funds under the Act**

- a) Dividend income  
Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115 O of the Act.
- b) As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

Note: All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

For **JBRK &Co.**  
Chartered Accountants  
**F.R.N. 005775S**

**Sai Bhaskar K.**  
**Partner**  
**M.No. 201048**

Place: Hyderabad  
Date: May 09, 2016

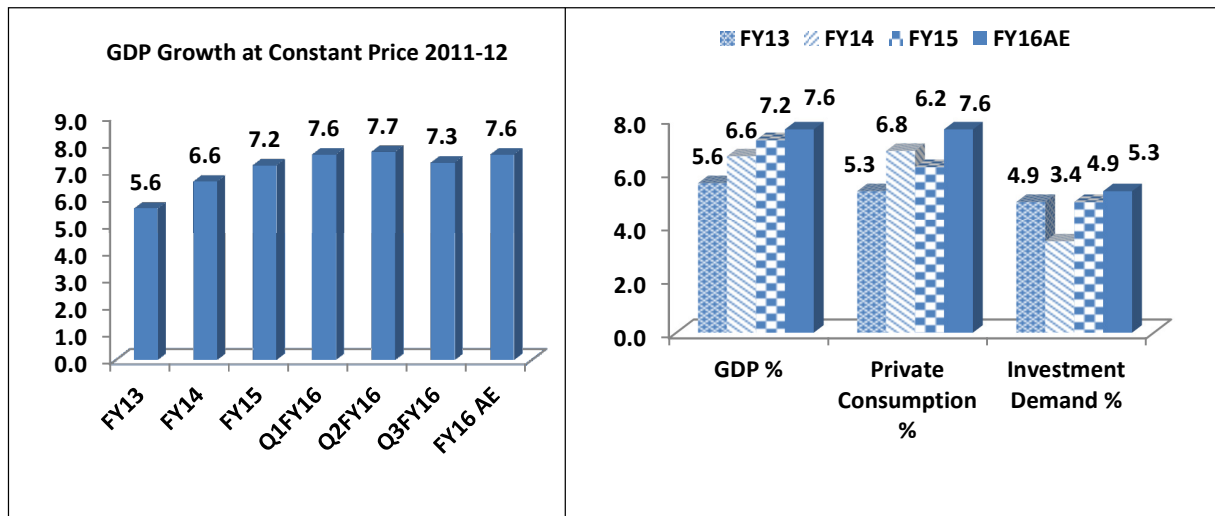
**SECTION IV – ABOUT THE COMPANY**

**OUR INDUSTRY**

**Overview of Indian Economy**

India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.25 billion people, and the most populous democracy in the world. India is the fourth largest economy in the world in terms of purchasing power parity (PPP). Gross Domestic GDP of the country for the year 2014-2015 stood at INR 106.6 trillion (US\$ 1.60 trillion) as compared to INR 99.21 trillion (US\$ 1.49 trillion) in 2013-14 . India’s economy has witnessed a significant economic growth in the recent past, growing by 7.2 % in 2015 as against 6.6 % in 2014. India is set to become the world’s fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. Service sector contributes 65% to the GDP were as Industry and Agriculture shares the pie with 18% and 17% respectively. Data released by the Central Statistics Office projected a growth of 7.6% in 2015-16 against the government’s more modest expectation of 7-7.5% growth. This despite growth decelerating to 7.3% in the quarter ended December from 7.7% in the previous quarter.

*Source: CMIE, IBEF, Asian Development Bank, MOSPI*



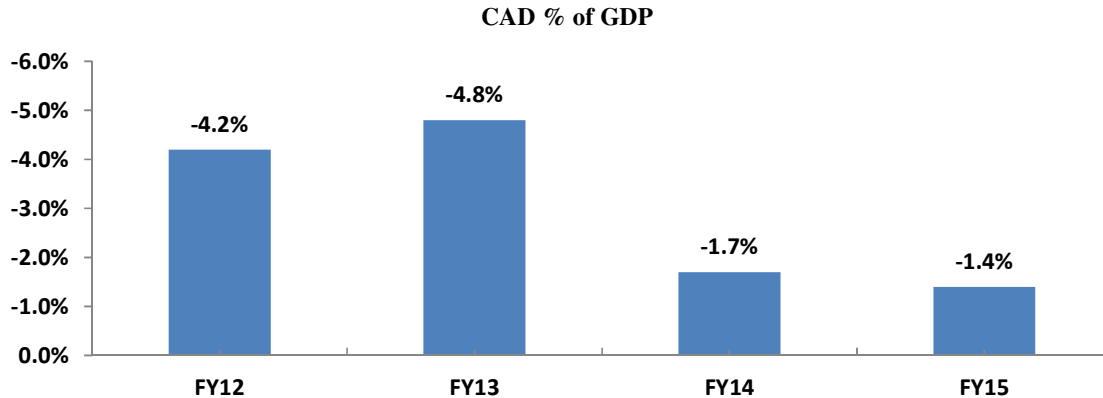
*Source: MOSPI, CSO, Base year 2011-12*

As per the advance estimates of Gross Domestic Product (GDP) released by the Central Statistics Office (CSO) on February 8, 2016, the growth rate of GDP at constant (2011-12) market prices for FY 2015-16 is estimated to be 7.6 % as compared to the growth of 7.2 % in FY 2014-15. Growth rate for the third quarter (Q3) (October-December) of FY 2015-16 is estimated at 7.3 % as compared to the growth of 7.4 % in second quarter (Q2) of FY 2015-16, and 7 % in first quarter (Q1) of FY 2015-16.

**Current Account Deficit**

In 2014-15, current account deficit stood at \$27.9 billion, or 1.4% of GDP. In 2013-14 it was at \$32.4 billion (1.7% of GDP) and in 2012-13 at \$88.1 billion (4.7 % of GDP). India’s current account deficit (CAD) narrowed to \$8.2 billion (1.6 % of gross domestic product) in the second quarter of FY2016 from \$10.9 billion (2.2 % of GDP) in the year-ago quarter. The contraction in CAD in the September quarter was primarily on account of lower trade deficit (\$37.4 billion) compared to \$39.7 billion in the same quarter of 2014-15. For the April-September 2015 period, CAD declined to \$14.3 billion (1.4 % of GDP) from 18.4 billion (1.8 % of GDP) during

the same period in FY15. For the first half of 2015-16, BoP remained in the positive territory as there was an accretion of \$10.6 billion to foreign exchange reserves compared with \$18.1 billion in the year-ago period.

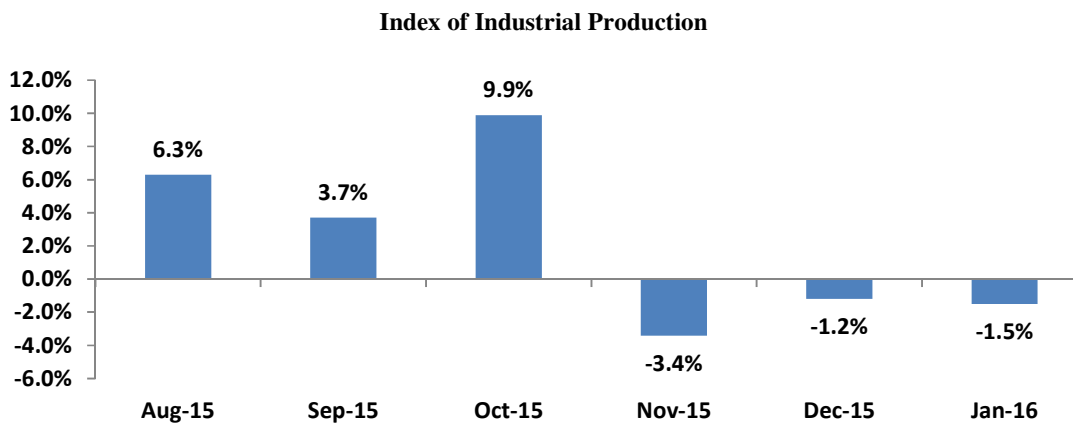


Source: RBI

### Index of Industrial Production

Factory/industrial output contracted for the third month in a row in January 2016, indicating a slow growth in the country. The factory output data, popularly known the index of industrial production (IIP), for the month of January 2016 is 1.5% lower as compared to that of January 2015, said the Central Statistics Office (CSO) of the Ministry of Statistics and Programme Implementation. IIP for the months of Jan 2016 and December 2015 too had declined to 1.5% and 1.2% respectively, over the same corresponding months last year.

Of the three sectors which form the IIP, mining and electricity grew by 1.2% and 6.6%, respectively, while manufacturing, with a weightage of 75 %, saw a slump by 2.8% year-over-year, pulling down the entire index. Ten out of the twenty-two industries in the manufacturing sector have shown a negative growth during the month of January 2016 as compared to the corresponding month of the previous year.



Source: RBI

### Foreign Direct Investments

Apart from being a critical driver of economic growth, foreign direct investment (FDI) is a major source of non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of cheaper wages, special investment privileges like tax exemptions, etc. For a country where foreign

investments are being made, it also means achieving technical know-how and generation of employment. The continuous inflow of FDI in India, which is now allowed across several industries, clearly shows the faith that overseas investors have in the country's economy. FDI inflows soared by 24.5 % to US\$ 44.9 billion during FY2015, as compared to US\$ 36.0 billion in FY2014, according to Department of Industrial Policy and Promotion (DIPP) data. According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments India received in April-December period of 2015 was US\$ 40.82 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results.

Data for April-December 2015 indicates computer hardware and software segment attracted the highest FDI equity inflow of US\$ 5.31 billion, followed by services sector US\$ 4.26 and trading business US\$ 2.72 billion. -

FII's net investments in Indian equities and debt are set to touch a record this financial year, backed by expectations of an economic recovery, falling interest rates and improving earnings outlook. FIIs have invested a net of US\$ 43.5 billion so far in 2014-15 expected to be their highest investment compared to others years. Of this, a huge amount US\$ 26.3 billion was invested in debt and it is their record investment in the asset class, while equities absorbed US\$ 17.2 billion.

*Source: IBEF*

#### Key Economic Variables

Particulars	FY13	FY14	FY15	FY16E
<b>GDP %</b>	5.6	6.6	7.2	7.6
<b>GVA Growth Rate (%)</b>	5.4	6.3	7.1	7.3
<b>Export Growth (%)</b>	-1.8	4.7	-1.3	-17.6 <sup>e</sup>
<b>Import Growth (%)</b>	0.3	-8.3	-0.5	-15.5 <sup>e</sup>
<b>Current Account Balance % to GDP</b>	-4.8	-1.7	-1.3	1.4 <sup>e</sup>
<b>Inflation – WPI #</b>	7.4	6.0	2.0	-2.8 <sup>e</sup>
<b>Inflation- CPI</b>	10.2	9.5	5.9	4.9 <sup>e</sup>

*Source <http://indiabudget.nic.in> Volume 1*

*Source: RBI, DIPP*

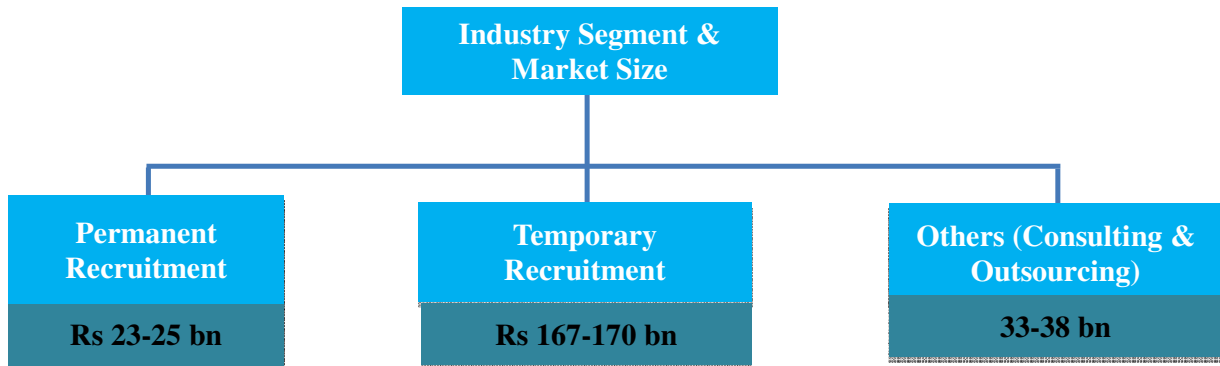
#### Human Resource Industry

India's human resource industry, dominated by talent acquisition in the form of recruitment, temporary staffing and executive search, has been growing at an estimated CAGR of 21% over the last four years and is now estimated at more than Rs 228 billion. Many global players have entered the Indian market over the last decade and some are poised to make the quantum leap.

This market is rapidly moving from a highly fragmented and unorganized sector to a structured and organized industry. The Indian HR solutions industry has grown significantly. Companies have started increasingly engaging consultants to meet their HR requirements on account of the growing complexity of doing business and talent challenges. They are opting for a temporary staff model to have smaller bench strength to withstand the global economic crisis.

Given this transformation in customer segments, the industry is emerging as more than just a vendor in clients' growth plans. The present HR marketplace in India has some individual freelancers, start-ups, small and medium players, as well as large Indian companies and MNCs. The size of this space is expected to be more than Rs 228 billion and has grown at a CAGR of 21% in last 5 years.

The industry can be broadly divided into permanent recruitment with a market size of Rs 23–25 billion, temporary recruitment with a market size of Rs 167-170 billion and other segments with a market size of Rs 33-38 billion.



Source: <http://www.chitkara.edu.in/mba/human-resource-management/hr-solutions>

Temporary recruitment companies are growing with organizations that are gradually increasing their share of temporary staff in their total workforce to withstand the economic downturn — recognizing the merits of having temporary staff. However, such companies face high attrition rates with clients absorbing temporary staff, pressure on their working capital and compliance with laws applicable to permanent staff. HR solutions is a highly competitive and fragmented industry that is poised for enormous growth in the next 10 years as companies increase their investment in their HR infrastructure.

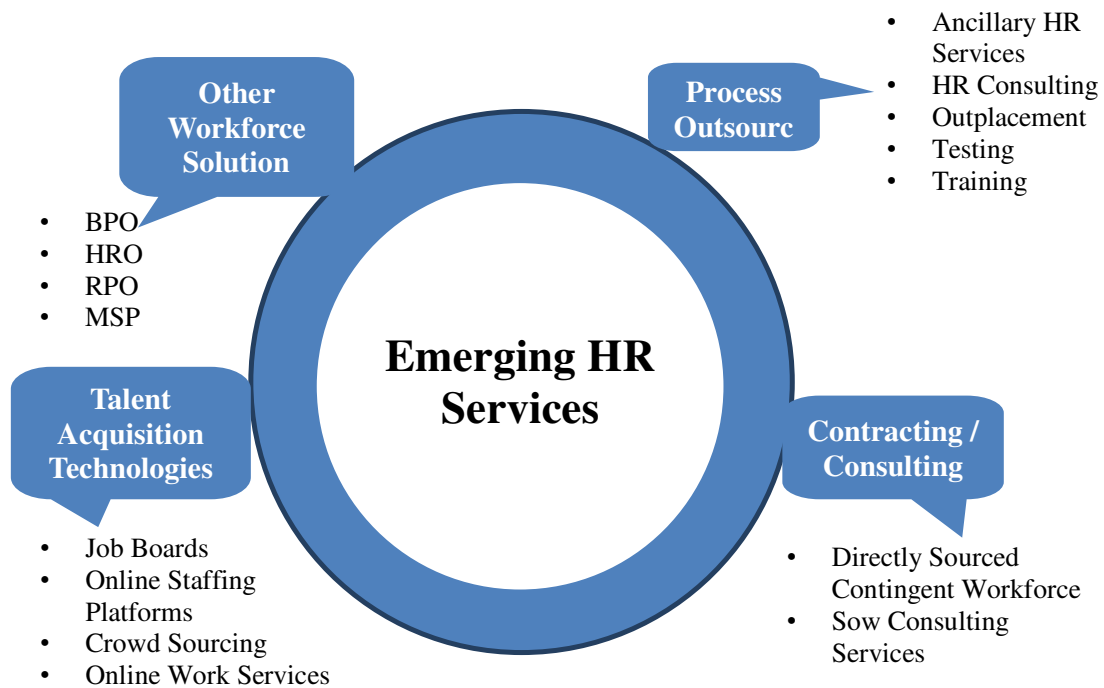
Furthermore, changing market dynamics and global competitive pressures has resulted in business becoming more complex, making companies realize the importance of having the right employees undertaking complex tasks and outsourcing non-core activities. Those that were earlier reluctant to engage external vendors now consider HR consultants to be their partners in their organizations' growth strategy.

Temporary and permanent recruitment are estimated to contribute 86% to the overall market size. Temporary recruitment (staffing) has the largest share at 73% of the market, since it includes pass through salary costs. Permanent recruitment has a 13% share and only includes the net fees from each successful referral.

The others categories primarily include small and emerging offerings such as the following:

- The others categories primarily include small and emerging offerings such as the following:
- Payroll administration (producing checks, handling taxes, dealing with sick-time and vacations), employee benefits (health, medical, life insurance, cafeteria, etc.)
- Recruitment process outsourcing,
- HR management and consulting (benefit consulting, hiring and firing, background interviews, exit interviews and wage reviews),
- Employment training
- Online job portals (sourcing of candidates)

**Changing Face of HR Industry: Services Offering**



Source: CIETT Economic Report 2016, <http://www.ciett.org/economicreport2016/introduction.html>

**The HR solution industry**

The HR solutions industry is highly competitive and is poised for enormous growth in the next 10 years as companies increase their investment in their HR infrastructure. Changing market dynamics and global competitive pressures has resulted in business becoming more complex. This has made companies realize the importance of getting the right candidates to undertake complex tasks and outsourcing non-core activities. Companies that were earlier reluctant to engage external vendors now consider HR consultants their partners in achieving their organizational growth strategy.



**In HR solution, the service includes the following:**

- Payroll services - an organisation hands over its responsibility as an employer to the payroll company, which becomes the worker's actual employer. The organisation recruits the individual itself.
- Outplacement - systematic assistance provided by a third party to an employee threatened with dismissal in finding employment elsewhere.
- Education and Training - education/courses to transmit knowledge and/or skills to an individual.
- Recruitment and selection - the search for and selection of potential employees for a vacant position at an employer.
- RPO (Recruitment Process Outsourcing) - with RPO the recruitment and selection of permanent employees is taken over entirely or in part.
- Outsourcing/contracting - with contracting, the user company commissions a contractor to perform a job, work, service or activity.
- MSP (Managed Service Provider) - organises the purchasing of agency work services for organisations.

**Source: CIETT Economic Report 2016, <http://www.ciett.org/economicreport2016/introduction.html>**

**OUR BUSINESS**

**OVERVIEW**

Our Company was incorporated on August 24, 2005 as Husys Consulting Private Limited. The Company was converted into Public Limited Company vide fresh Certificate of Incorporation dated August 06, 2015 issued by Registrar of Companies, Hyderabad.

Husys is in the business of creating the concept of HR Function Outsourcing (HR Function Management-HRFM). We focus to be the most innovative, trusted partner in delivering cost effective solutions in the arena of Human Resources Development to the Industry & Society. Our Objective is to be a One-Stop Solution Provider for all Human Resources Challenges of Today's Organizations. Our products are time tested and proven to be effective for business results with people involvement. We provide service products/solutions that are Customized, Cost & Time effective for Business Effectiveness.

**Our Vision:**

Synergizing Human Potential for Development of Business & Society

**Our Mission:**

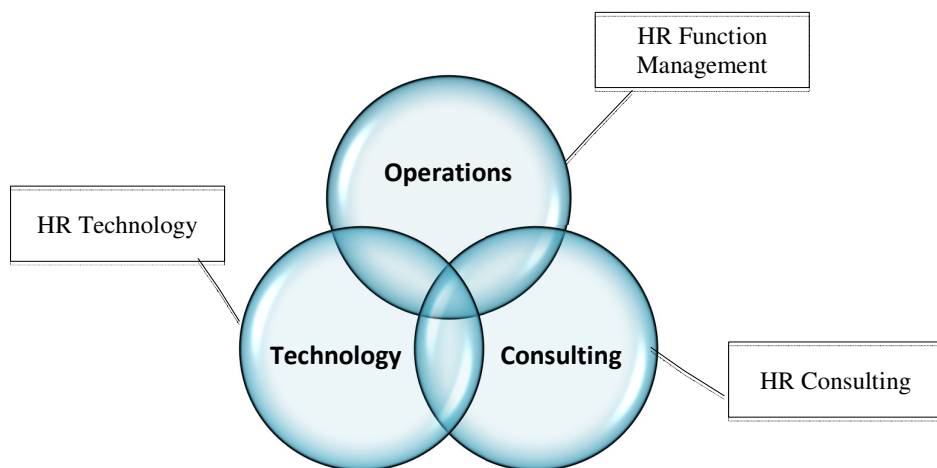
To be the leader in deploying & delivering high quality, innovative, cost effective and time sensitive HR Services, leveraging human potential for the advancement of both business and society

**AWARDS**

Sr. No.	Authority	Award
1.	TV 5 News	Business Leader 2012 Award
2.	Confederation of Women Entrepreneurs of India	Best Entrepreneur

**OUR BUSINESS**

We provide following services/ products:



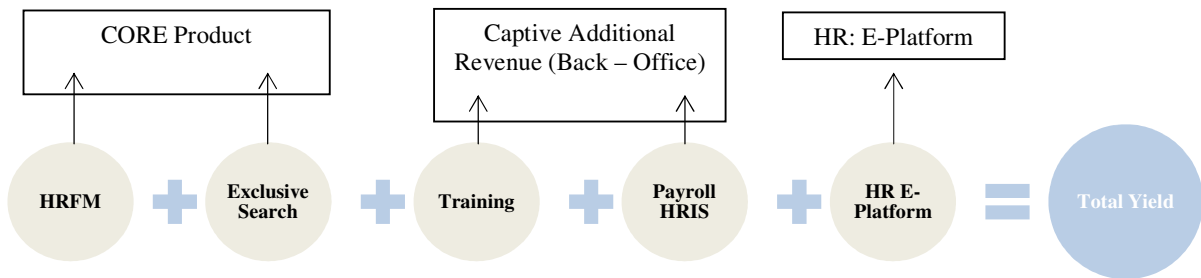


## IV. HR OPERATIONS:

This area of competency focuses primarily on the Operational excellence and delivery capability in terms of the day-to-day transactions of the Business. Our Company offers various products and services under this category. This area of specialization brings the best of the breed operational efficiencies in building and managing day-to-day business HR operations. The solutions are customized, based on the needs of the client; however, the following are some of the areas of service provided.

- **HR Function Management Solution (Core):** This is our Company's Flagship & Primary Service that is mastered over a period of 10 years in India. We are the pioneers and leaders in building HR Departments and Management for Small and Medium Organizations.

A brief pictorial representation of the opportunities integrating other services is as below:



- **Exclusive Search:** In this solution our Company offers Talent Acquisition for clients. Husys usually has an exclusive mandate - 90% of the times, since exclusivity always gives us an opportunity to generate business and gain revenue stream using our capabilities.

These services require keeping the database, networking and a large pool of social/professional network in multiple industries. Our growing HRFM clients always have need for people and become exclusive mandates.

- Recruitment Assignments
  - Talent Reservoir
  - Project Based Requirements
  - Bid based long-term contracts for association
- **Associate Management Service (AMS):** This service contributes to largest revenue to our Company due to the deployment nature of resources and management of their employment on behalf of other organizations. Our Company has designed this model with a combination of Manpower Outsourcing and HR Function Management as the key ingredients. In this service the Company not only manages the Employment but also all the HR Related issues for the employees are tracked and supported for the employers. The following are the few of the services delivered, included or chosen for support in this service. Currently our Company provides this service for various International Partners and also International Companies in India.
- Employer of Records (Professional Employer Organization – PEO as its call elsewhere in the world)
  - Payroll Management (Full Blown service outside of AMS and has a scope as well for Growth)
  - HR & Administration

- **Training & Assessment Services:** Our Company helps to assess the Training Needs of HRFM clients or need based support to organizations independently. This service focuses on fulfilling the Training needs of organization by helping them to get the best talent to Train their resources. Our Company keeps a pool of trainers and delivers based on the need and competency required by our clients.

#### V. HR CONSULTING:

Our Company has been working on this competency from the Design of our core service. As HRFM requires 5-10% of the strategic consulting solution and derived from the Consulting competency of our Senior Team members. For Mid and Large organizations, this service becomes very attractive as they would have their own HR Department who take care of the Day-to-Day operations. Our Consulting Services are more relevant for any organization at various phases as mentioned below but not limited to:

- Organizational or/and Leadership Change
- Growth/Decline/Stagnant Phases
- Acquisition & Mergers
- Change in the Business Environment & Priorities
- International Changes

Our Company delivers the following services but not limited to:

- **HR Consulting Engagements:** In this service Husys would involve in building the strategic support where organization needs. Husys helps organization to focus on strategic support in the areas of Talent Engagement, Talent Management & Talent Development. These are project based needs and closed with specific time frames arising out of the business need. Husys shall deploy a competent Consultant who is signed up to work as Associates based on need. We identify and map the need and the competency of the consultant for deployment and delivery. We are tracking business currently:
  - Organizations who have need for Change and reach us or we attempt reach.
  - Bid based for Private / Governmental / Association / Projects
- **Outplacement:** Husys is a part of Career Star Group which represents 70 countries. Husys also the official licensee of Penna Plc. A UK based largest HR Company and the founding member of CSG. These mandates are assigned based on the Global mandates for large International organizations. The company has built our own internal processes framework for India based outplacement. This service is offered to organization who are making workforce redundant for various reasons. The company steps in and helps the career transition of the affected employees for the organization. The fee is paid by the company to keep their employer brand intact. The following are some of the activities.
  - Target: Workforce, Employees, Middle Management, Senior Management, CXO and Sr. Director Level
  - Helps in building confidence & recover the shock, career strategy to Get to Next job, starting own business & Retirement. Key to success is Job search, CV preparation, Interview preparation, salary/offer negotiations and Planned Transition.
- **HR Advisory:** This is a unique and long-term in many cases in which our senior consultants act as Advisor for the organization. This also has components of Transition and Interim Management options.

## VI. HR TECHNOLOGY:

Human Resources usage of Technology has come a long way but there is a great scope and usage yet in the organizations. With 100 million working population in SME's and not many of them are the users of technology providing a scope for our Technology Focus. This provides the direct access to the people who have the disposable income predicted every month. Husys identified some of the key areas of development to ensure the following needs are covered for the business revenues.

- **Automate HR Function:** A traditional HR Information System is deployed by helping all the day-to-day operations and data management for employees. The workflow of HR Function is also taken care by this model.

### **Husys Unique Solutions:**

- **Integrate Collaboration Tool:** A tool that helps our partners / franchisees to enable running HR Function Management and various other services of Husys. It also helps in managing the support group companies where there are many companies and in various industries and spread across the State / Country. This integrates Billing and Knowledge management tool for our partners. This tool also enables the Back-Office functions for Husys, partners & companies.
- **Integrate and Enable HR E-Commerce:** This reduces the strain that SME's go through generally the Purchase Power due to the low volumes. Our product support would bring the collaboration and power of negotiation as aggregator for HR Services universe.

## **APHUSYS : CLOUD BASED HR SOFTWARE PLATFORM**

Our Company is in the process of launching of ApHusys Software - Application for Human Synergies which allows organizations to install and implement the integrated Human Resources Management System to manage and maintain the HR operational data across and provide instant access to employees & HR Department users comprehensive personalized information they need to make fast, informed decisions by delivering information anytime, anywhere to any Web Browser and on Mobile Devices.

ApHusys is a cloud based HR Software which is suitable for Small, mid-sized to large organisations, all employees, managers and HR Administrators are always in sync with the information necessary to drive HR Goals. This platform also brings lot of tools collaborative to improve business efficiency and also cost efficiency in acquiring such tools.

The base version of the software has been implemented over 50 organizations at the time of filing with 5000+ users. Where the organisations are working on processes like employee data management, Payroll Management, Leave Management. They would eventually upgrade to Hiring Tracking, Talent & Performance Management and Training Management Modules.

The amount of Rs. 245.40 spent on development of this software is debited to Capital work in progress including interest. The software is expected to be completed by June 2016.

## OUR DIFFERENTIATION:

Business Services	Description	Key Differentiator	Year	Industries Covered
			Started	
HR Function Management (HRFM)	End to End HR Solution: Husys Responsible for Setting up and Managing HR Department for SME's.	Pioneered by Husys. Cost Effective Solution, White Space Opportunity	2005	Textiles, IT, Pharma, HealthCare, Retail, Education, Services, Manufacturing, Power
Associate Management Services (AMS)	Employment Management as Employer. Manage the HR Support. (People Outsourcing + HR Service Model)	Our Strength is Building HR Operational Efficiency in Employee Relation	2007	Healthcare, BPO, NGO, Online Businesses, Sales Organizations, IT
Exclusive Search: Recruitment	Captive Requirements of HRFM Clients + Independent Clients	Captive with HRFM Clients, Take-up only Exclusive Searches	2009	Education, IT, Pharma, HealthCare, Retail, Education, Services, Manufacturing
Consulting	Need based HR Support	Client Need Based with Operationalization of HR support	2005	Construction, Power, Education,
Training	Providing Training for competency enhancement.	Mission HR® to build exclusive resource pool.	2005	Education, Power, IT,
Payroll & ApHusys / Misc.	Payroll Services and Transaction based services. ApHusys – Cloud based Technology service product.	<ul style="list-style-type: none"> <li>• Generic Services</li> <li>• Cloud based HRIS - ApHusys</li> </ul>	2005 /2011	PSU, Power, Construction, Services, MNC's, Manufacturing
Outplacement	Helping organization in Transition of Resources during Retrenchment / Termination / Workforce Reduction	<ul style="list-style-type: none"> <li>• Specialized Service</li> <li>• Part of CSG – A worldwide organization representation present in 70 countries.</li> </ul>	2014	Pharma, Manufacturing, Services, Internet Based. Etc.,

## OUR STRENGTH

We believe that the following strengths have contributed to success and will be of competitive advantages for us, supporting our strategy and contribution to improvements in financial performance:

- 1. Established Track record of 10 years** indicates the company's ability to survive business cycles.
- 2. Well defined organization structure** supported by qualified and experiences second tier management that has decision making powers.
- 3. Diversified service profile**, the company provides an array of HR Management and Consulting services such as human resources function outsourcing, Human Resources Training, Human Resources Pay roll

management, cloud based human resource information systems, Associate Management service and recruitments. Moreover, the company is also engaged in development of on-demand software services.

4. **Customer focused growth strategies:** Continue to pursue our customer-focused “account mining” strategy which has yielded good results last year too, We will continue investing in our account management teams to extend our farming successes beyond Revenue per customer has been on the rise, signaling our success in mining focus accounts.
5. **Robust sales organization:** As the company is going through a phase of moderate growth, the success of an organization is critically dependent upon the efficiency of its sales engine - ability to win new business and mine the existing clients. Over the last one year, following initiatives were undertaken in these areas: Creation of a dedicated team to focus on account planning and governance, significant strengthening of sales team, creation of separate hunting and farming teams to leverage the sales team capabilities efficiently, renewed focus to get strong good quality new logos to enable stronger growth. These initiatives have helped improve collaboration between Husys Consulting verticals and service lines.
6. **Domain expertise and technical excellence:** We believe in the Human Synergies at work for helping the world to do business in next century. We strongly believe and advocate the collaboration for organizations to sustain business edge in the future. In view of our beliefs we constantly make our undying spirit of collaborative ecosystem we partner with people who are like-minded and build synergies for a better world. The following are few partnerships Penna Inc., Career Star Group Inc., iWork Global., Nina E Woodard Associates Inc., US.
7. **People focus and high performance culture:** Our biggest strength is our people, we call ourselves Husyst Thinkers. We ensure that we offer the best workplace to our Thinkers where they can perform to the best of their abilities. Our initiatives in the field of performance management, employee engagement, workplace sustainability, diversity and inclusivity have been strengthened throughout year. The company is forthcoming in recognizing and rewarding high performers. Company recognizes the fact that leadership is a critical component of its organizational strategy. Hence it is focused on developing leadership across organizational levels and helps leaders to transition seamlessly from one level to another. We continued to provide a comprehensive suite of leadership programs to all levels of career transitions. It included executive coaching, 360-degree feedback, one to one mentoring and specialized training tailored to new or experienced leaders.

## OUR BUSINESS STRATEGY

We are united by the Core Values that binds every Husyst (Our Team Members) to deliver the best to our clients. We strive to live up to these values and make every second of our service is delivered with the same rigor and consistency all through our journey with our clients.

### **Integrity:**

We are committed by the value of integrity and would not pursue any deviation to help our clients. We work for profitability of our clients while preserving the value for our existence. Our integrity is important to retain and sustain the growth for our clients and their employees.

### **Commitment:**

Our commitment to client delivery and the vision & Mission we set out for ourselves is the corner stone for our success. None of our associates would deviate from any commitments that we promised to deliver and try and excel in our effort in bringing more value.

**Service:**

Every moment a positive experience for our clients make us to deliver the best. We understand to count our every hour and day in converting opportunities into action for our clients through people. We are bound by the set expectations and we strive to surpass every second in delivering the best to our clients.

**Enterprising:**

Working with Entrepreneurs would never be possible unless being Enterprising in every activity that we perform. Every Husyst (Our team members) is trained to be an entrepreneur first and in HR Function later. We know the efforts of our enterprising clients in building and developing an organization of repute.

The Drivers of our environment:

- Integrity
- Commitment
- Human
- Service
- Enterprising

Found at India with an aim to redefine the Human Resources function. Husys originated out of a need for a good partnership for companies to grow. Business is all about how we keep our costs at optimum and deliver better results for the stakeholders. Today we are the people who are synonymous with HR Function Outsourcing. We re-defined the way the HR Function Management is outsourced with more than 300+ Clients (Including Fortune 500) and featured in various forums as the most innovative HR Business Model and applauded by Media in India.

**COLLABORATIONS**

We have not entered into technical or any other collaboration.

**HUMAN RESOURCE**

Human resource plays an essential role in developing a company's strategy as well as handling the employee centered activities of an organization. We have 142 full time employees as on March 31, 2016. Our man power is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

**DEPARTMENT WISE BREAKUP**

Sr. No	Department	No. of Employees				
		Hyderabad	Mumbai	Bengaluru	Delhi	Total
1.	HR & Administration	4	0	0	0	4
2.	Finance, Accounts, Secretarial & Legal	3	0	0	0	3
3.	Sales/ Marketing	3	2	2	1	8
4.	Technology	5	0	0	0	5
5.	R & D Product Development	0	0	0	0	0
6.	Recruitment	5	0	0	0	5
7.	Franchise Development	1	0	0	0	1

8.	HRFM	10	2	5	11	28
9.	AMS	14	0	71	3	88
	<b>Total</b>	<b>45</b>	<b>4</b>	<b>78</b>	<b>15</b>	<b>142</b>

## COMPETITION

We face competition from various domestic and international players. The Industry in which we operate is unorganized, competitive and highly fragmented in India. We have over a decade of experience Human Resource Development segment and we believe that our Company will not only maintain but further enhance its position in the industry. We believe that our ability to compete effectively is primarily dependent on ensuring consistent quality service with on time delivery at competitive prices. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price.

## MARKETING

We ensure service to our client effectively. We provide full range of services to help, find, qualify, close and retain lucrative customer relationships. Our dedicated team guide creative and execution activities to ensure complete management of all marketing activities. Our marketing services are designed with an objective of enhancing brand awareness and spreading reach of our services.

## INSURANCE

At present, we have maintained Group Medishield Insurance Policy and Group Personal Accidental Insurance Policy, which provides insurance cover for our employees. Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions and/or insurance, the indemnities set forth in our contracts and/ or our insurance may not be enforceable in all instances or the limitations of liability may not protect us from entire liability for damages.

Following are the details of Insurance Policies.

Sr. No.	Name of the Policy	Policy No.	Insurance Company	Coverage (Rs. in Lakhs)	Expiry Date
1.	Group Medishield Insurance Policy	52523086	IFFCO-TOKIO General Insurance Company Ltd.	76.00	August 29, 2016
2.	Group Personal Accidental Insurance Policy	51562249	IFFCO-TOKIO General Insurance Company Ltd.	160.00	August 29, 2016


## LAND & PROPERTIES

The following table sets for the properties taken on lease / rent by us:

Sr. No.	Location of the property	Document and Date	Licensor / Lessor	Lease Rent/ License Fee	Lease/License period	
					From	To
1.	1-8-505/D/E/A, Husys House,Prakash Nagar Extension,Begumpet,Hyderabad-500016, Telengana.	April 23, 2016	Mr. Gundlapally Ramalinga Reddy	Rs. 99,480/- (Per Month)	April 1, 2016	March 31, 2019
2.	Lower Ground Floor, Cabin no. 3, B-6, Kalkaji Road, New Delhi – 110019, Delhi	June 15, 2015	M/s. Karwal Advisors OPC Pvt. Ltd.	Rs. 23,000/- (Per Month)	July 15, 2015	May 31, 2016
3.	512, 16 <sup>th</sup> Cross, Indiranagar Second Stage, Bangalore – 560038, Karnataka	August 20, 2012	Smt. T. Geethalakshmi	Rs. 25,000/- (Per Month)	October 01, 2012	August 31, 2013*
4.	Regus Platinum, Level 13 Platinum TechnoPark, Plot no. 17 & 18Sector 30A,Vashi, Navi-Mumbai – 400705,Maharashtra	April 12, 2014	Regus Platinum Business Centre Private Limited	Rs. 5,990/- (Per Month)	April 14, 2014	April 30, 2015*

\*The Company is in the process of renewing the Lease Agreement.

## INTELLECTUAL PROPERTY

Our Company had not made any application for registration of our Logo  under the Trademarks Act, 1999. In case of no registration, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks, further we have received the registration certificate for our Word-marks in below class under the Trade Marks Act, 1999.

Sr. No.	Word Mark	Date of Approval	Application No.	Class	Current Status
1.	Husys	October 31, 2008	1518935	42	Registered
2.	Mission HR	March 16, 2009	1518933	41	Registered



## KEY INDUSTRY REGULATIONS AND POLICIES

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain 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 applicants and is neither designed nor intended to be a substitute for professional legal advice.*

*The statements below are based on 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. For details of government approvals obtained by us, see the chapter titled "Government and Other Statutory Approvals" beginning on page 194 of this Draft Prospectus.*

### **RELATED TO OUR BUSINESS**

#### ***Child Labour (Prohibition and Regulation) Act, 1986***

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

#### ***Shops and Commercial Establishments Acts***

The establishment and operation of shops and commercial establishments is regulated by state specific shops and establishments legislations. Hence, we are subject to the provisions of the Andhra Pradesh Shops and Establishments Act, 1988, the Karnataka Shops and Commercial Establishments Act, 1961, the Delhi Shops and Establishments Act, 1954, the Maharashtra Shops and Establishments Act, 1948 and the rules prescribed thereunder. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for registration requirements, fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

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

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**SHWPPR Act**") aims to provide women protection against sexual harassment at the workplace and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines 'sexual harassment' to include any unwelcome sexually determined behaviour (whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organisations, non-governmental organisations, organisations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an 'internal complaints committee' at each office or branch, of an organization employing at least 10 employees. The government in turn is required to set up a 'local complaint committee' at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

***The Apprentices Act, 1961***

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

***The Contract Labour (Regulation and Abolition) Act, 1970***

The Contract Labour (Regulation and Abolition) Act, 1970 (“**CLRA Act**”) regulates the employment of contract labour in certain establishments and to provides for its abolition in certain cases. The CLRA Act applies to every establishment in which 20 or more workmen are employed or were employed in the preceding 12 months as contract labour and to every contractor who employs or employed on any day during the last 12 months, 20 workmen or more. The CLRA Act prescribes measures to be undertaken by the principal employer for the welfare of contract labourers. The CLRA Act requires the principal employer of the concerned establishment to make an application to the registering officer appointed by the appropriate government under the CLRA Act for registration of the establishment and obtain registration within the prescribed time period, failing which contract labour cannot be employed in the particular establishment. Likewise, every contractor to whom the CLRA Act applies, is required to obtain a license and not to undertake or execute any work through contract labour, except under and in accordance with such license. The CLRA Act provides for the establishment of canteens, restrooms, first aid facility and provision for drinking water by the contractor within the specified time period and on failure on part of the contractor to provide such facility, the principal employer is responsible to make provision for the same. The contravention of the provisions of the CLRA and the rules and regulations thereunder is punishable with imprisonment up to three months and in case of a continuing contravention with an additional fine which may extend to Rs. 1,000 for every day during which the contravention continues.

***The Employees' Provident Fund and Miscellaneous Provisions Act, 1952***

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“**EPF Act**”) provides for the institution of provident fund, pension fund and deposit linked insurance funds for the benefit of eligible employees in factories, notified establishments and establishment which are factories engaged in certain specified industries which employ more than 20 persons. A liability is placed on the employers to make certain contributions to the funds mentioned above after obtaining the necessary registrations. The current rate of contribution is 12 % of the wage of the employee including dearness allowance and retaining allowance, if any. This contribution also attracts an interest, currently 12 per cent p.a., and the accumulated amount is paid on retirement to the employee along with the interest that has accrued. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the employers and their employees to contribute in equal proportion to the employees' provident fund, the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the Regional Provident Fund Commissioner.

***The Employees' State Insurance Act, 1948***

The Employees' State Insurance Act, 1948, as amended (“**ESI Act**”) applies to all factories that are non seasonal in nature and establishments that are notified by the appropriate government in consultation with the Central Government from time to time. The ESI Act provides for a need based social insurance scheme under which the employer and the employee must contribute certain percentage of the monthly wage as prescribed by the Central Government from time to time to the Employees State Insurance Corporation established under the

ESI Act. In case the contribution is not paid by the principal employer as per the provisions of the ESI Act, the principal employer shall be liable to pay simple interest at the rate of 12 % p.a or at such higher rate as may be specified in the ESI Act and the rules thereunder till the date of its actual payment. The ESI Act provides for benefits to employees in case of sickness, maternity and employment injury. However, where an employee is covered under the ESI scheme, (a) compensation under the Workmen's Compensation Act, 1923 cannot be claimed in respect of employment injury; and (b) benefits under the Maternity Benefits Act, 1961 cannot be claimed. In addition, the employer is also required to register himself under the ESI Act and maintain prescribed records and registers in addition to filing of forms with the concerned authorities.

### ***The Employees Compensation Act, 1923***

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

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

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

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

The Maternity Benefit Act, 1961, as amended ("**Maternity Benefit Act**") regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. Under the Maternity Benefit Act, a mandatory period of leave and benefits should be granted to female employees who have worked in the establishment for a minimum period of 80 days in the preceding 12 months from the date of her expected delivery. Such benefits essentially include payment of average daily wage for the period of actual absence of the female employee. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks, of which not more than six weeks shall precede the date of her expected delivery. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy.

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

Under the Minimum Wages Act, 1948 ("**Minimum Wages Act**") every employer is mandated to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the Minimum Wages Act, in respect of which minimum rates of wages have been fixed or revised under the Minimum Wages Act.

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

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

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

The Payment of Gratuity Act, 1972 as amended (the “**Payment of Gratuity Act**”) provides for payment of gratuity to an employee at the time of termination of services. Payment of Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in establishments in which ten or more persons are employed or were employed on any day of the preceding 12 months; and as the Central Government may, by notification, specify. Gratuity under the Payment of Gratuity Act, is payable to an employee after he has rendered his services for a period not less than five years: (a) on his / her superannuation; (b) on his / her retirement or resignation; or (c) on his / her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply). Under the Payment of Gratuity Act, the maximum gratuity payable may not exceed `1,000,000.

### ***The Payment of Wages Act, 1936***

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

## **IN GENERAL**

### ***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 Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Companies Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

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 notified 100 Sections and on March 26, 2014 notified 183 Sections of the Companies Act, 2013. The same are applicable from September 12, 2013 and April 01, 2014, respectively. The Ministry of Corporate Affairs has issued the rules and new improved e-forms complementary to the Act establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Act.

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

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

#### ***Service Tax Act, 1994***

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 6<sup>th</sup> 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 25<sup>th</sup> of the month immediately following the half year to which the return relates. Every assessee is required to file the half yearly return electronically.

#### ***Profession Tax Act***

The tax on professions, trades, callings and employments is regulated by state specific. Hence, we are subject to the provisions of the Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987, the Karnataka Tax on Professions, Traders, Callings and Employment Act, 1976, the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975 and the rules prescribed thereunder. The State specific profession tax legislations provides for the levy and collection of a tax on professions, trades, callings and employment for the benefit of the particular State. Such Regulations provide for the employers liability to deduct and pay taxes on behalf of their employees, meeting employers registration and enrolment requirement, filing of returns, payment of advance taxes and other matter regarding payment of tax or in case of non-payment.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated as Husys Consulting Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated August 24, 2005 Hyderabad. Subsequently, our Company was converted into Public limited company pursuant to which the name of our Company was changed to “Husys Consulting Limited” vide fresh certificate of incorporation dated August 06, 2015. Our Company got listed on Emerge ITP Platform of National Stock Exchange of India Limited (NSE) on August 21, 2015. Further, Our Company has made an application for delisting from on Emerge Institutional Trading Platform of NSE vide letter dated April 25, 2016.

The registered office of our company is situated at 1-8-505/D/E/A, Husys House, Prakash Nagar Extension, Begumpet, Hyderabad – 500016, Telangana, India.

Corporate Identification number: U74140TG2005PLC047222

For information on the Company’s activities, market, growth, technology and managerial competence, please see the chapters “Our Management”, “Our Business” and “Our Industry” beginning on pages 121,103 and 97 respectively of this Draft Prospectus.

### CHANGE IN REGISTERED OFFICE

There has been no change in the address of the registered office of the Company. The registered office of our company is situated at 1-8-505/D/E/A, Husys House, Prakash Nagar Extension, Begumpet, Hyderabad – 500016, Telangana, India.

### KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

Year	Event
2005	Our Company was incorporated as Husys Consulting Private Limited
2015	Our Company was converted into Public Limited Company vide fresh certificate of incorporation dated August 06, 2015
2015	Our Company got listed on Institutional Trading Platform of National Stock Exchange of India Limited (NSE).

### AWARDS

Sr. No.	Authority	Award
1.	TV 5 News	Business Leader 2012 Award
2.	Confederation of Women Entrepreneurs of India	Best Entrepreneur

### OUR MAIN OBJECTS

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

- To carry on the business of providing all services relating to Human resources Functions including HR Administration and Representation, Policy making, recruitment and selection, Resource Development, Employee Relation and Welfare, Performance Management, Process Building and Quality compensation and Benefits, Training and Development and allied support service for Human Resources in any kind of organization / institutions. All the activities may be conducted in any form as requested by the customers from time to time.*

2. *To carry on in India and / or abroad the Business Process Services using and supporting Human Resources. To outsource / in source any activities for organizations in association or as specific representation to ensure increase in productivity Profitability for Organizations.*
3. *To carry in India and / or abroad the business to Act as agents, franchisees, consultants and advisors for any of the objects mentioned above.*

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

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

Date of Shareholders' Approval	Amendment
November 16, 2007	The Initial authorized Share Capital of Rs. 1,00,000 (Rupees One Lakh only) consisting of 10,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 25,00,000 (Rupees Twenty Five Lakhs only) consisting of 2,50,000 Equity Shares of face value of Rs.10/- each
March 17, 2008	Increase in authorised capital from Rs. 25,00,000 (Rupees Twenty Five Lakhs only) consisting of 2,50,000 Equity Shares of face value of Rs. 10 each to Rs. 50,00,000 (Rupees Fifty Lakhs only) consisting of 5,00,000 Equity Shares of face value of Rs. 10 each.
February 03, 2014	Increase in authorised capital from Rs. 50,00,000 (Rupees Fifty Lakhs only) consisting of 5,00,000 Equity Shares of face value of Rs. 10 each to Rs. 65,00,000 (Rupees Sixty Five Lakhs only) consisting of 6,50,000 Equity Shares of face value of Rs. 10 each.
July 01, 2014	Increase in authorised capital from Rs. 65,00,000 (Rupees Sixty Five Lakhs only) consisting of 6,50,000 Equity Shares of face value of Rs. 10 each to Rs. 2,50,00,000 (Rupees Two Crores Fifty Lakhs only) consisting of 25,00,000 Equity Shares of face value of Rs. 10 each.
July 01, 2015	Conversion of private company into public company and subsequent change of name from 'Husys Consulting Private Limited' to 'Husys Consulting Limited'.
September 18, 2015	Increase in authorised capital from Rs. 2,50,00,000 (Rupees Two Crore Fifty Lakhs only) consisting of 25,00,000 Equity Shares of face value of Rs. 10 each to Rs. 5,00,00,000 (Rupees Five Crores only) consisting of 50,00,000 Equity Shares of face value of Rs. 10 each.

## HOLDING COMPANY OF OUR COMPANY

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

## SUBSIDIARY COMPANY OF OUR COMPANY

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

## INJUNCTIONS OR RESTRAINING ORDERS

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

## DETAILS OF PAST PERFORMANCE

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled “Financial Statements” beginning on page 143 of this Draft Prospectus.

## SHAREHOLDERS AGREEMENTS

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

## OTHER AGREEMENTS

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business and agreement dated March 21, 2016 with Managing Director for his appointment and agreement dated March 21, 2016 with Whole Time Director for her appointment as on the date of filing of this Draft Prospectus.

## RESTRICTIVE COVENANTS IN LOAN AGREEMENTS

Our Company has renewed its bank overdraft facilities from Bank of India vide Sanction letter dated May 13, 2016. The Bank has issued us No Objection Certificate in relation to our IPO vide letter dated May 11, 2016.

**Following are the certain restrictive conditions given by Bank of India for sanction of overdraft facility.**

- Without prejudice to the demand nature of the advance(s), the/these credit facility (ies) will remain in force for a period of one year and is/are subject to annual review.
- All the sanctioned/enhanced credit limits are to be utilized within a period of 6 months from the date of sanction failing which these facilities will lapse and any revalidation of the same will be considered at the sole discretion of the Bank.
- The company to display banks hypothecation plate/board at its unit/business premises indicating that stocks/assets are hypothecated to the bank.
- Penal interest of 2% p.a. will be levied on the overdue amount for the period account remains overdrawn due to irregularities such as non-payment of interest immediately on application, non-payment of installments within one month of their falling due, reduction in drawing power/limit, excess borrowings due to over limit. If the account continues to be overdrawn for a period of 90 days, the bank may consider initiation of other action also as deemed fit by the bank.
- Any default in complying with terms of sanction within the stipulated time will attract penal interest of 1% p.a. from the date of expiry of such time.

### Details of borrowing and charges of Bank of India:

(Rs. In Lakhs)

Sr. No.	Date of Creation of Charge	Date of Last Modification of Charge	Charge Holder	Facility	Charge amount secured (Rs.)	Principal Security	Pricing ROI/Commission
1	29/11/2007	13/05/2016	Bank of India	Bank Overdraft (Clean)	195.00	Clean Hypothecation of book debts and all other current assets of the Company.	MCLR(1YR)+0.35%+3% Presently @ 12.75%
				Vehicle Loan	5.46	Hypothecation of Vehicle	MCLR(1YR)+0.30%+0.45% Presently @ 10.15% P.A.
Total					200.46		



**Following are the Collateral Security for the above Over Draft limit.**

1. Hypothecation of Book debts and other Current Assets of the Company Collateral Security - Equitable Mortgage of Residential House bearing Municipal No. 1-8-505/ E/ D/ A admeasuring 266.66 sq. yds. In Sy. No. 55/2, Ward no. 79, 94 & 99 and Block A, G & E, T.S.No.1/1, 2, 6/2 & 3, 4/2 and 5/1 & 2 and 27/2 bearing cellar + G + 1floor totally admeasuring 6412 Sq. Ft. and other civil works there on situated at Prakash Nagar, Bholakpur Village, Near Railway Track, back side of Old Ranga Reddy dist. Court, Secunderabad Owned by Gundlapally Ramalinga Reddy, and
2. Third Party guarantee by:-
  - i. Mr. Gundlapally Ramalinga Reddy S/o Venkat Reddy
  - ii. Mrs. G. Praveena w/o Gundlapally Ramalinga Reddy.

## STRATEGIC/ FINANCIAL PARTNERS

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

## NUMBER OF SHAREHOLDERS

Our Company has 12 (Twelve) shareholders on date of this Draft Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association we are required to have not less than 3 directors and not more than 12 directors, subject to provisions of Section 149 of Companies Act, 2013. We currently have 6 (Six) Directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Prospectus other than Directorship in our Company:

Sr. No	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment	Other Directorships
1.	<b>Name:</b> Mr. Gundlapally Ramalinga Reddy <b>Age:</b> 47 years <b>Father's Name:</b> Mr. Gundlapally Venkat Reddy <b>Designation:</b> Managing Director <b>Address:</b> H.NO. 18-8-395/A, Narahari Nagar, Uppuguda, Hyderabad-500053, Andhra Pradesh <b>Occupation:</b> Service <b>Nationality:</b> Indian <b>Term:</b> April 01, 2016 to March 31, 2021 <b>DIN:</b> 00559079	Appointment as Director on August 24, 2005  Re-appointment as Managing Director on April 01, 2016	1. Corvesta Software Solutions India Private Limited
2.	<b>Name:</b> Mrs. Gundlapally Praveena <b>Age:</b> 40 years <b>Father's Name:</b> Mr. Malreddy Shankar Reddy <b>Designation:</b> Whole Time Director <b>Address:</b> H.NO.18-8-395/A, Uppuguda, Falaknuma, Chatrinaka, Hyderabad- 500053, Andhra Pradesh <b>Occupation:</b> Service <b>Nationality:</b> Indian <b>Term:</b> April 01, 2016 to March 31, 2021 <b>DIN:</b> 00559136	Appointment as Director on August 24, 2005  Appointment as Whole time Director on April 01, 2016	Nil

3.	<p><b>Name:</b> Mrs. Nina Elizabeth Woodard  <b>Age:</b> 69years  <b>Father's Name:</b> Mr. Alexander Rhodes Mathews  <b>Designation:</b> Independent &amp; Non-Executive Director  <b>Address:</b> 922, Wentworth Circle, Vista, California- 92081, United States of America.  <b>Occupation:</b> Business  <b>Nationality:</b> American  <b>Term:</b> September 20, 2014 to September 19, 2019  <b>DIN:</b>00754603</p>	September 20, 2014	Nil
4.	<p><b>Name:</b> Mrs. Geeta Goti  <b>Age:</b> 50 years  <b>Father's Name:</b> Mr. Siddappa Golla  <b>Designation:</b> Executive Director  <b>Address :</b> Flat No. 403, Phase II, Modern Towers, Vidyanagar Hyderabad- 500044, Andhra Pradesh  <b>Occupation:</b> Service  <b>Nationality:</b> Indian  <b>Term:</b> Retiring by Rotation  <b>DIN:</b> 06866598</p>	<p>Appointment as Independent Director on September 20, 2014</p> <p>Appointment as Executive Director on March 21, 2016</p>	1. Confederation of Women Entrepreneurs of India
5.	<p><b>Name:</b> Mr. Biju Varkkey  <b>Age:</b> 50 years  <b>Father's Name:</b> Mr. Oommen Kurichiyathu Varkkey  <b>Designation:</b> Independent &amp; Non-Executive Director  <b>Address:</b> Kurichiyathu, No 4, Paulabro Building, Near Cusat Gate, South Kalamasserry – 682022, Kerala  <b>Occupation:</b> Professional  <b>Nationality:</b> Indian  <b>Term:</b> September 18, 2015 to September</p>	<p>Appointment as Additional Independent Director on August 06, 2015</p> <p>Appointment as Independent &amp; Non- Executive Director on September 18, 2015</p>	<p>1. Paschim Gujarat VIJ Company Limited</p> <p>2. Konnect CSR Impactors Private Limited</p>

	17, 2020 <b>DIN:</b> 01298281		
6.	<p><b>Name:</b> Mr. Atal Bihari Malviya</p> <p><b>Age:</b> 38 years</p> <p><b>Father's Name:</b> Mr. Phool Chandra Malviya</p> <p><b>Designation:</b> Independent &amp; Non-Executive Director</p> <p><b>Address:</b> 3 Blake Court, 4 Dodd Road, Watford, United Kingdom, WD24 5DB.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Non-Resident Indian</p> <p><b>Term:</b> May 24, 2016 to May 23, 2021</p> <p><b>DIN:</b> 02061495</p>	May 24, 2016	<p>1. Indian Companies</p> <ul style="list-style-type: none"> <li>➤ Ieffect Consulting (India) Pvt Ltd</li> <li>➤ Spark 10 Accelerator Pvt Ltd</li> </ul> <p>2. Foreign Companies</p> <ul style="list-style-type: none"> <li>➤ New Beginnings South Limited</li> <li>➤ London Scans Ltd</li> <li>➤ Reading Scan Ltd</li> <li>➤ Concepto Ltd</li> </ul>

#### BRIEF BIOGRAPHIES OF OUR DIRECTORS



**Mr. Gundlapally Ramalinga Reddy, aged 47 years** is a visionary with zeal to build and support enterprises. He is a Post Graduate in Business Administration (MBA), having specialized in Human Resources. He also has Bachelor's degree in Science and a Diploma in Training and Development from ISTD, New Delhi (Affiliated to American Society for Training & Development-ASTD. He is also the Chairman of Veena Educational Society in India. He has spent over 23 years of contribution in exploring People Capability and Synergy for Business and Society.



**Mrs. Gundlapally Praveena, aged 40 years** has helped build Husys since its nascent stage. She has been very active in supporting Liasoning, Head-Hunting opportunities for Husys. She engages herself in various Women Entrepreneurship initiatives and is an active member of Confederation of Women Entrepreneurs (COWE). She is an active member for the support and encouragement of sports in the country and especially gymnastic sport for overall development. She is also holding national Brevet as National judge with ID No. 3155.



**Mrs. Nina Elizabeth Woodard, aged 69 years** is a graduate of American Banking Institute Graduate School of Human Resources and is a certified a Senior Professional in Human Resources (SPHR) and a Global Professional in Human Resources (GPHR) by Society for Human Resource Management. She currently serves as the President and Chief 'N' Sights Officer for Nina E. Woodard & Associates. Prior to founding Nina E. Woodard & Associates, she was associated with Strategic Human Resource Management India Pvt. Ltd., a wholly owned subsidiary of Society for Human Resource Management (SHRM) US and Aradhanaa Human Resources Consultancy Pvt. Ltd. her own India based company founded in June 2002.



**Mrs. Geeta Goti** aged 50 years, holds a Master's Degree in Social Work and a Bachelor's Degree in Arts as academic artillery. She has an overall 25 years of rich HR experience with exposure to across Government, Manufacturing, Banking, Research, Consulting and IT services organizations. She has been associated with NHRD Hyderabad chapter as executive committee member, secretary and is life member of the organization. She is a certified Behavioral Analyst and have authority on many Psychometric Instruments used for People effectiveness on Business. She also serves as executive member and Vice President currently at Confederation of Women Entrepreneurs (COWE).



**Mr. Biju Varkkey**, aged 50 years is currently associated with IIM Ahmedabad, NIM and Academy of HRD, Ahmedabad with the Personnel and Industrial Relations Area where he teaches in the graduate, executive development and doctoral programs. He has obtained Master's degree in Human Resource Management from Mahatma Gandhi University, Kerala and Fellowship in Management from NIBM, Pune. His professional experience spans industry, consulting and leading management schools. He is also a visiting scholar at AILS, and works closely with the ILO and organisations like UNITES and ITUC. He was recipient of the RDF fellowship by ILO for 2013 and co-winner of special category ISB – IVEY case competition 2013.



**Mr. Atal Bihari Malviya**, aged 38 years has done MBA from Ashridge Business School, UK and Masters in computer science from India. He is a successful entrepreneur, Investor, leader and critical thinker with extensive experience in building, scaling and running technology businesses. He is a Founder and CEO of VC funded tech startup. He worked with big corporates (Oracle Corporation, SAP Labs), public sector (Network Rails) and startup businesses.

## CONFIRMATIONS

As on the date of this Draft Prospectus:

1. Apart from Mr. Gundlapally Ramalinga Reddy and Mrs. Gundlapally Praveena who are related to each other as husband and wife, none of the Directors of the Company are related to each other.

2. 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.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment
4. None of the above mentioned Directors are on the RBI List of willful defaulters.
5. 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 Draft Prospectus or (b) our Company had made application to delist from the Institutional Trading Platform of NSE Emerge vide letter dated April 25, 2016.
6. 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. For further details refer Chapter titled “Outstanding Litigation and Material Developments” beginning on the page 192 of this Draft Prospectus.

### REMUNERATION / COMPENSATION OF DIRECTORS

Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act and other applicable laws and regulations, Except for Mr. Gundlapally Ramalinga Reddy and Mrs. Gundlapally Praveena who have been paid Gross Compensation of Rs. 11.99 lakhs and Rs. 6.44 lakhs respectively during Fiscal Year 2015-16.

### SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares.

The following table details the shareholding of our Directors as on the date of this Draft Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Mr. Gundlapally Ramalinga Reddy	9,37,885	56.05	41.11
2.	Mrs. Gundlapally Praveena	6,44,000	38.49	28.23
3.	Mrs. Nina Elizabeth Woodard	Nil	Nil	Nil
4.	Mrs. Geeta Goti	Nil	Nil	Nil
5.	Mr. Biju Varkkey	Nil	Nil	Nil
6.	Mr. Atal Bihari Malviya	Nil	Nil	Nil

### INTERESTS OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable, if any to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loan or advances provided to anybody corporate including companies and firms and trusts, in which they are interested as directors, members, partners or trustees.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoter, and /or trustees pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, if any.

None of our Directors has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Except as stated in the chapter “Our Management” and ‘Related Party Transactions’ beginning on page 121 and 141 respectively of this Draft Prospectus and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Prospectus.

Our Directors are not interested in the appointment of or acting as Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

## PROPERTY INTEREST

Except as stated/referred to in the heading titled “Land & Properties” beginning on page 111 of this Draft Prospectus, our Directors has not entered into any contract, agreement or arrangements during the preceding two years from the date of this Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name	Date of event	Nature of event	Reason
Mr. Kolavennu Sudhakar Kumar	December 04, 2013	Resignation	Resignation as Director
Mrs. Geeta Goti	September 20, 2014	Appointment	Appointment as Independent Director& Non-Executive Director
Mrs. Nina Elizabeth Woodard	September 20, 2014	Appointment	Appointment as Independent Director& Non-Executive Director
Mr. Biju Varkkey	August 06, 2015	Appointment	Appointment as Additional Independent Director& Non-Executive Director
Mr. Gundlapally Ramalinga Reddy	August 20, 2015	Change in Designation	Appointment as Managing Director
Mr. Biju Varkkey	September 18, 2015	Change in Designation	Appointment as Independent& Non-Executive Director
Mrs. Geeta Goti	March 21, 2016	Change in Designation	Appointment as Executive Director

Mr. Gundlapally Ramalinga Reddy	April 01, 2016	Re-appointment	Re-appointment as Managing Director
Mrs. Gundlapally Praveena	April 01, 2016	Re-appointment	Re-appointment as Whole-Time Director
Mr. Atal Bihari Malviya	May 24, 2016	Appointment	Appointment as Independent & Non-Executive Director

## BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at Annual General Meeting of our Company held on September 18, 2015 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 10.00 crores (Rupees Ten Crores).

## CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act, 2013 and as per the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has 6 (Six) Directors. We have 1 (one) Managing Director, 1 (one) Whole-Time Director, 1 (one) Executive Director, and 3 (three) Independent & Non- Executive Director. The constitution of our Board is in compliance with the Companies Act, 2013

### **The following committees have been formed in compliance with the corporate governance norms:**

- A. Audit Committee
- B. Stakeholder Relationships Committee
- C. Nomination and Remuneration Committee

#### **A) Audit Committee**

Our Company has re-constituted an audit committee ("**Audit Committee**"), as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed in the meeting of the Board of Directors held on August 06, 2015 and reconstituted vide resolution passed in the meeting of the Board of Directors held on May 24, 2016.

The terms of reference of Audit Committee complies with the requirements of the Companies Act, 2013. The committee presently comprises the following three (3) directors.



**Composition of Audit Committee:**

Name of the Director	Status	Nature of Directorship
Mr.BijuVarkkey	Chairman	Independent & Non-Executive Director
Mrs. Nina Elizabeth Woodard	Member	Independent & Non-Executive Director
Mr. Atal Bihari Malviya	Member	Independent & Non-Executive Director

Mr. BijuVarkkey is the Chairman of the Audit Committee.

The Company Secretary of the Company acts as the Secretary to the Audit committee.

**Role of the audit committee:**

1. Overseeing the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
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 before submission to the board for approval, with particular reference to:
  - a. Matters required being included in the Directors Responsibility Statement to be included in the Board’s report in terms of clause (2AA) of section 217 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. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly and annual 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

9. Discussion with internal auditors on any significant findings and follow up there on.
10. 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.
11. 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.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.

**Powers of the Audit Committee:**

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

**B) Stakeholder Relationships Committee**

Our Company has constituted a stakeholder relationships committee (“*stakeholder relationships Committee*”) to redress the complaints of the shareholders. The stakeholder relationships committee was constituted as per the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed at the meeting of the Board of Directors held on August 06, 2015 and further reconstituted vide resolution passed in the meeting of the Board of Directors held on May 24, 2016.

**Composition of Stakeholder Relationships Committee**

Name of the Director	Status	Nature of Directorship
Mr. Biju Varkkey	Chairman	Independent & Non-Executive Director
Mrs. Nina Elizabeth Woodard	Member	Independent & Non-Executive Director
Mrs. Geeta Goti	Member	Executive Director
Mr. Gundlapally Ramalinga Reddy	Member	Managing Director

The Stakeholder Relationships Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Investor Grievance Committee include the following:

- Redressal of shareholders’/investors’ complaints;
- Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;

- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## C) Nomination and Remuneration Committees

Our Company has constituted a Nomination and Remuneration Committee. The re-constitution of the Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was approved by a Meeting of the Board of Directors held on August 06, 2015 and reconstituted vide resolution passed in the meeting of the Board of Directors held on March 18, 2016 and further reconstituted vide resolution passed in the meeting of the Board of Directors held on May 24, 2016.

### **Composition of Nomination and Remuneration Committee**

Name of the Director	Status	Nature of Directorship
Mr. Atal Bihari Malviya	Chairman	Independent & Non-Executive Director
Mr. Biju Varkkey	Member	Independent & Non-Executive Director
Mrs. Nina Elizabeth Woodard	Member	Independent & Non-Executive Director
Mr. Gundlapally Ramalinga Reddy	Member	Managing Director

Mr. Atal Bihari Malviya is the Chairman of the Nomination and Remuneration Committee.

The Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee.

### **The terms of reference of the Nomination and Remuneration Committee are:**

- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- To be authorized at its duly constituted meeting to determine on behalf the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/Executive Directors, including pension rights and any compensation payment;

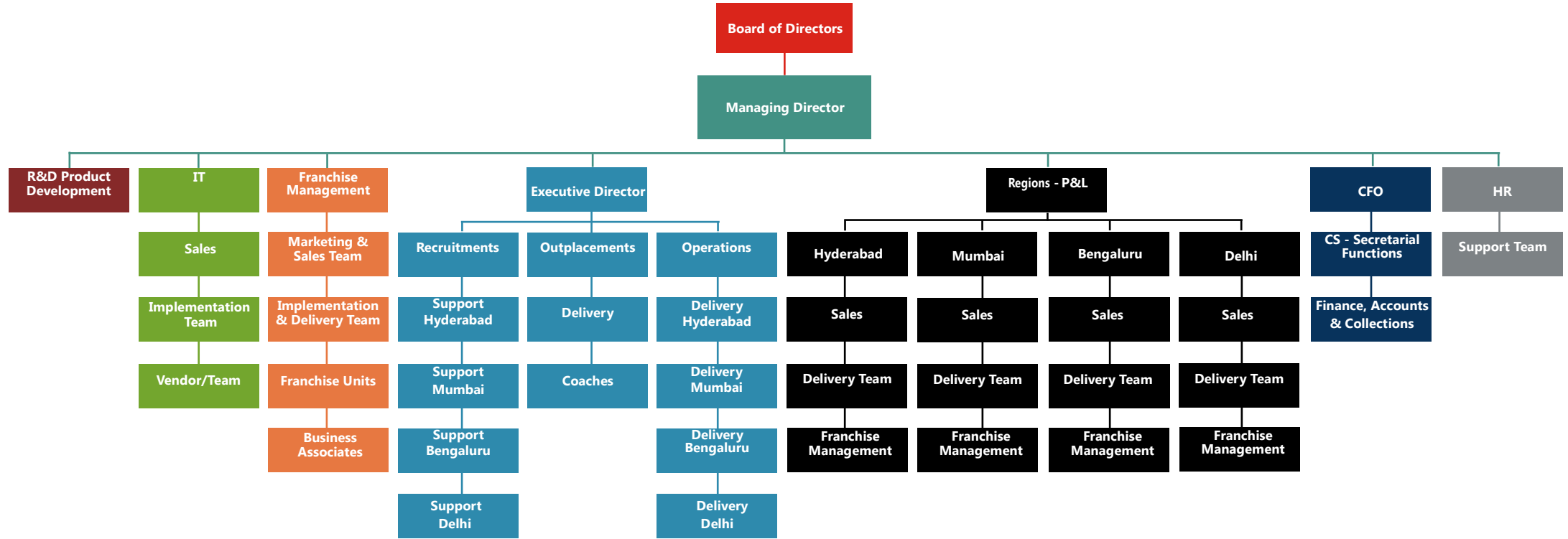
Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

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

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchange.

Ms. Harshita Jain, Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

**ORGANIZATIONAL STRUCTURE**



### **Mr. Gundlapally Ramalinga Reddy** (*Promoter and Managing Director*)

Mr. Gundlapally Ramalinga Reddy, aged 47 years is a visionary with zeal to build and support enterprises. He is a Post Graduate in Business Administration (MBA), having specialized in Human Resources. He also has Bachelor's degree in Science and a Diploma in Training and Development from ISTD, New Delhi (Affiliated to American Society for Training & Development-ASTD). He is also the Chairman of Veena Educational Society in India. He has spent over 24 years of contribution in exploring People Capability and Synergy for Business and Society. He has been instrumental in building two new organizations in his work career: the First Air Cargo Airline in the Country & Largest Software Services Company. His Vision is to make every progressive Small and Medium Enterprise to grow with people capabilities and contribute to the Societal Impact. His focus is to bring best of breed HR practices to Startups and SME's in India in building best competitive advantage to make Developed India. He has earned a gross remuneration of Rs. 11.99 lacs during Financial Year 2015-16.

### **Mrs. Gundlapally Praveena**(*Promoter & Whole-time Director*)

Mrs. Gundlapally Praveena, aged 40 years. She helped build Husys in its nascent stage. She has been very active in supporting Liasoning, Head-Hunting opportunities for Husys. She engages herself in various Women Entrepreneurship initiatives and active member of Confederation of Women Entrepreneurs (COWE). She is an active member for the support and encouragement of sports in the country and especially gymnastic sport for overall development. She has earned a gross remuneration of Rs. 6.44 lacs during Financial Year 2015-16.

### **Ms. Harshita Jain** (*Company Secretary & Compliance Officer*)

Ms. Harshita Jain, aged 24 years, is the Company Secretary & Compliance Officer of our Company. She is an associate member of the Institute of the Company Secretaries of India and also holds a degree in Bachelors of Business Administration. She has earned a gross remuneration of Rs. 2.30 lacs during Financial Year 2015-16.

### **Mr. Francis Paul** (*Chief Financial Officer*)

Mr. Francis Paul, aged 51 years is the Chief Financial Officer of the Company. He holds a Bachelor's Degree in Commerce and Masters in Business Administration specialized in Finance and Marketing .He was appointed as Chief Financial Officer of Husys Consulting Limited on August 06, 2015. He has earned a gross remuneration of Rs. 6.25 lacs during Financial Year 2015-16.

## RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

There is no family relationship between the Key Managerial Personnel of our Company expect that Mr. Gundlapally Ramalinga Reddy and Mrs. Gundlapally Praveena who are related to each other as husband and wife.

## FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL

There is no family relationship between the key managerial personnel and Director of our Company except Mr. Gundlapally Ramalinga Reddy and Mrs. Gundlapally Praveena who are related to each other as husband and wife. All of Key Managerial Personnel are permanent employees of our company.

## ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Directors has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

### SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

None of the KMPs holds any Equity shares of our Company as on the date of this Draft Prospectus except the following:

Sr. No.	Name of the shareholder	No. of shares held
1.	Mr. Gundlapally Ramalinga Reddy	9,37,885
2.	Mrs. Gundlapally Praveena	6,44,000

### BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

### LOANS TO KEY MANAGERIAL PERSONNEL

No loans and advances given to the Key Managerial Personnel as on the date of this Draft 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 Draft Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration and reimbursement of expenses.

Our Key Managerial Personnel have no interest in any property acquired by our Company within two years of the date of this Draft Prospectus.

### CHANGES IN KEY MANAGERIAL PERSONNEL DURING LAST THREE (3) YEARS

The changes in the key managerial personnel in the last three years are as follows:

Name of Managerial Personnel	Designation	Date of Event	Reason
Ms. Harshita Jain	Company Secretary & Compliance Officer	August 06, 2015	Appointment as Company Secretary & Compliance Officer
Mr. Francis Paul	Chief Financial Officer	August 06, 2015	Appointment as Chief Financial Officer
Mr. Gundlapally Ramalinga Reddy	Managing Director	August 20, 2015	Appointment as Managing Director
Mr. Gundlapally Ramalinga Reddy	Managing Director	April 01, 2016	Re-appointment as Managing Director
Mrs. Gundlapally Praveena	Whole-Time Director	April 01, 2016	Re-appointment as Whole-Time Director

Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

## ESOP/ESPS SCHEME TO EMPLOYEES

Presently, the Company at their Extra Ordinary General Meeting held on March 18, 2016 had approved Husys Employee Stock Option Plan-2016 for Associates of the Company. It has been proposed to grant 10% of the outstanding Capital to the Associates under the Husys ESOP-2016, except an Associates/Director who is a promoter or belongs to the promoter group or a Director who either himself or through his relatives or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company. Further no options have been granted under the said scheme as on the date of this Draft Prospectus.

## PAYMENT OR BENEFIT TO OUR OFFICERS

Except as disclosed in the heading titled “Related Party Disclosure” in the section titled “Financial Statements beginning on page 143 of this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

**OUR PROMOTERS AND PROMOTER GROUP**

**OUR INDIVIDUAL PROMOTERS**

1. Mr. Gundlapally Ramalinga Reddy
2. Mrs. Gundlapally Praveena

**DETAILS OF OUR INDIVIDUAL PROMOTERS**

**1. Mr. Gundlapally Ramalinga Reddy**



Mr. Gundlapally Ramalinga Reddy, aged 47 years, is a visionary with zeal to build and support enterprises. He is a Post Graduate in Business Administration (MBA), having specialized in Human Resources. He also has Bachelor's degree in Law and a Diploma in Training and Development from ISTD, New Delhi (Affiliated to American Society for Training & Development-ASTD). He is also the Chairman of Veena Educational Society in India. He has spent over 24 years of contribution in exploring People Capability and Synergy for Business and Society.

Particulars	Details
Permanent Account Number	ACWPG9793J
Passport No.	G3830014
Bank Account Details	Bank of India Account No: 860610110009008 H.No. 3-4-215, R K Complex, Kachiguda Station Road, Hyderabad – 500027.

**2. Mrs. Gundlapally Praveena**



Mrs. Gundlapally Praveena, aged 40 years, is a Graduate in Science having specialized in Micro Biology. She helped build Husys in its nascent stage. She has been very active in supporting Liasoning, Head-Hunting opportunities for Husys. She engages herself in various Women Entrepreneurship initiatives and active member of Confederation of Women Entrepreneurs (COWE). She is an active member for the support and encouragement of sports in the country and especially gymnastic sport for overall development. She is also holding national Brevet as National judge with ID No. 3155.

Particulars	Details
Permanent Account Number	AJAPG2020M
Passport No.	J3435725
Bank Account Details	Bank of India Account No: 860610110009231 H. No. 3-4-215, R K Complex, Kachiguda Station Road, Hyderabad – 500027.



Our Promoter Group in terms of Regulation 2(1)(zb) of SEBI (ICDR) Regulations includes the following persons:

**a) Individual Promoters**

The natural persons who are part of our Promoter Group (due to the relationship with our Promoters), other than the Promoters named above are as follows:

Sr. No.	Relationship	Mr. Gundlapally Ramalinga Reddy	Mrs. Gundlapally Praveena
1.	Father	Gundlapally Venkat Reddy	Malreddy Shankar Reddy
2.	Mother	Gundlapally Pushpalatha Reddy	Malreddy Amrutha Reddy
3.	Spouse	Gundlapally Praveena	Gundlapally Ramalinga Reddy
4.	Brother	Gundlapally Karan Reddy	Malreddy Pradeep Reddy
5.	Sister	Chilumula Sumana Reddy	-
6.	Children	Gundlapally Meghana Reddy Gundlapally Suhitrayan Reddy	Gundlapally Meghana Reddy Gundlapally Suhitrayan Reddy
7.	Spouse Father	Malreddy Shankar Reddy	Gundlapally Venkat Reddy
8.	Spouse Mother	Malreddy Amrutha Reddy	Gundlapally Pushpalatha Reddy
9.	Spouse Brother	Malreddy Pradeep Reddy	Gundlapally Karan Reddy
10.	Spouse Sister	-	Chilumula Sumana Reddy

**b) Companies and proprietorship firms forming part of our Promoter Group are as follows:**

Relationship with promoters	Promoters	
	Mr. Gundlapally Ramalinga Reddy	Mrs. Gundlapally Praveena
Any company in which 10% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relative is a member	Nil	Nil
Any company in which a company (mentioned above) holds 10% of the total holding	Nil	Nil
Any HUF or firm in which the aggregate share of the promoters and his immediate relatives is equal to or more than 10% of the total holding	Husys USA LLC	Husys USA LLC

## 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 NSE EMERGE Platform, where the securities of our Company are proposed to be listed at the time of submission of this Draft Prospectus.

## COMMON PURSUITS OF OUR PROMOTERS

None of the promoter Group Company is having business objects similar to our business except Husys USA LLC.

## INTEREST OF THE PROMOTERS

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

Our promoters are Mr. Gundlapally Ramalinga Reddy and Mrs. Gundlapally Praveena. Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by them as well as their relatives and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner.

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

Our Promoters do not have any interest in any property acquired by our Company in last two years or proposed to be acquired by our Company.

### *Interest as Member of our Company*

As on the date of this Draft Prospectus, our Promoters Mr. Gundlapally Ramalinga Reddy and Mrs. Gundlapally Praveena holds 9,37,885 and 6,44,000 Equity Shares respectively of our Company and are therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company. Our Promoters do not hold any other interest in our Company.

### *Payment Amounts or Benefit to Our Promoters during the Last Two Years*

No payment has been made or benefit given to our Promoters in the two years preceding the date of this Draft Prospectus except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Statements' and 'Capital Structure' on page 121,143 and 57 respectively of this Draft Prospectus. Further as on the date of this Draft Prospectus, there is no bonus or profit sharing plan for our Promoters.

## CONFIRMATIONS

For details on litigations and disputes pending against the Promoters and defaults made by them including violations of securities laws, please refer to the section titled "Outstanding Litigation and Material Developments" on page 192 this Draft Prospectus. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority.

## RELATED PARTY TRANSACTIONS

Except as disclosed in the "Related Party Transactions" beginning on page 141 of this Draft Prospectus, our Company has not entered into any related party transactions with our Promoters.

**OUR GROUP ENTITIES**

Below mention are the details of Companies/Entities promoted by the promoters of our Company. No equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

**Our Group Entities include:**

1. Veena Educational Society
2. Husys USA LLC

**The Details of group Entity is provided below:**

**1. Veena Educational Society**

**Brief information:**

Veena Educational Society was established on in year 2001 and is situated at H.NO. 1-8-505/E/D/A, Husys House, Prakash Nagar Extension, Opp. Begumpet Airport, Hyderabad- 500016, having registered number 2956.

**The aims and objects of the Society are:**

- (a) To establish, aid maintain educational institutions, universities and other institutions to improve education at all stages for the promotion of management, Engineering, medicine, dental, law, commerce, literature, arts, science and all subjects to improve the quality for dissemination of useful knowledge for all communities.
- (b) To device ways and means accord facilities for candidates to specialize in all or any of the subjects.
- (c) To offer medical, dental, and/or Engineering Institutions, to buy, run maintain Hospitals, Hostels, residential houses, etc,
- (d) To carry on activities for any charitable purpose and activities of general public utility.
- (e) To find our ways and means for solving unemployment problems by attaining the above objects.
- (f) To work for removal of illiteracy among people in the country.

**The Managing Committee of Veena Educational Society:**

Sr. No.	Particulars	Status
1.	Gundlapally Ramalinga Reddy	President
2.	Gundlapally Venkat Reddy	Vice-President
3.	Gundlapally Praveena	General Secretary
4.	Malreddy Shankar Reddy	Joint-Secretary
5.	Malreddy Amrutha Reddy	Treasurer
6.	Naresh Babu Deevi	Member
7.	Elagonda Jaipal Reddy	Member

**Financial performance of the Veena Educational Society for last three years as mentioned below:**

Particulars	For the Year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Total Income	Nil	Nil	Nil
Tax Paid	Nil	Nil	Nil

**2. Husys USA LLC**

**Brief information:**

Husys USA LLC is in the business of created a concept of Professional Employer Organization on Recruitment, Offshore Human Resources Technology thru Cloud based Technology in Human Recourses space. We focus to be the most innovative, trusted partner in delivering cost effective solutions in the arena of Human Resources Development to the Industry & Society. The objective is to be a one-stop solution provider for all Human Resources Challenges of today's organizations. The products are time tested and proven to be effective for business results with people involvement. We provide service products/solutions/Services that are customized, cost & time effective for business effectiveness. Thus develop business for India centric delivery.

**Husys USA LLC has three Partners:**

Sr. No.	Particulars	% of Stake
1.	Gundlapally Ramalinga Reddy	80.00
2.	Gundlapally Venkat Reddy	10.00
3.	Gundlapally Praveena	10.00
	<b>Total</b>	<b>100.00</b>

**Financial performance of the Husys USA LLC for last three years as mentioned below:**

(Amount in \$)

Particulars	For the Year		
	2015	2014	2013
Total Income	4,208	NIL	5,100
Profit/Loss	(265)	(3,591)	(394.93)

**CONFIRMATION**

Our Promoter and persons forming part of Promoter Group have confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoter and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. Our group entity does not have negative net worth as on the date of this Draft Prospectus.

## INTERESTS OF OUR GROUP COMPANIES

None of our Group Companies are interested in the promotion of our Company. Except as disclosed in the section titled “Financial Statements” beginning on page 143 of this Draft Prospectus and to the extent of their shareholding in our Company, our Group Companies does not have any other interest in our Company.

## SICK COMPANIES / WINDING UP

No Promoter Group Entities listed above have been declared as a sick company under the Sick Industrial Companies (Special Provisions) Act, 1985. There are no winding up proceedings against any of the Promoter Group Entities.

## LITIGATION

For details on litigations and disputes pending against the Promoters and Promoter Group entities and defaults made by them, please refer to the chapter titled ‘Outstanding Litigations and Material Developments’ beginning on page 192 of this Draft Prospectus.

## DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any of the companies/partnership firms during preceding three years.

## SALES/PURCHASES BETWEEN OUR COMPANY AND GROUP ENTITIES

There is no sale purchase between our Company and Group Entities except as mentioned in Annexure XIV– Related Party Disclosures under the chapter titled “Financial Statement” beginning on page 143 of this Draft Prospectus.

## COMMON PURSUITS

There are no common pursuits among our Company and Group Companies or any objects similar to that of our Company’s business except Husys USA LLC. Further, currently we do not have any non-compete agreement/arrangement with our Group Entity. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise

## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure XIV of restated financial statement under the section titled, '*Financial Statements*' beginning on page 143 of this Draft Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. Under the Companies Act, dividends may be paid out of profits of the company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous Years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend in the previous five Financial Years.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

SECTION V – FINANCIAL INFORMATION

FINANCIAL INFORMATION, AS RESTATED IN RELATION TO DRAFT PROSPECTUS

**INDEPENDENT AUDITOR’S REPORT AS REQUIRED BY SECTION 26 OF COMPANIES ACT, 2013 WITH RULE 4 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014**

To,  
The Board of Directors;  
**Husys Consulting Limited**  
1-8-505/D/E/A, Husys House,  
Prakash Nagar Extension, Begumpet,  
Hyderabad -500016

Dear Sirs,

Re.: Public Issue of Equity Shares of **Husys Consulting Limited**.

1. We have examined the Restated Financial information of Husys Consulting Limited, Hyderabad annexed to this report for the purpose of inclusion in the offer document, signed by us for identification, in terms of our engagement agreed upon with you in accordance with our engagement letter dated April 22, 2016 in connection with the proposed issue of Equity Shares of the Company. The Restated Financial information has been approved by the Board of Directors of the Company, prepared in terms of the requirements of:
  - a) Sub- Clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ('the Act') read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014 and
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ('the Regulations') issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992 and related.
  - c) The Guidance Note (Revised) on Reports in Company Prospectus and Guidance Note on Audit Reports/ Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India.
2. This Restated Financial information has been extracted by the Management from the financial statements for the year ended March 31<sup>st</sup> 2012, 2013, 2014, 2015 and 2016. Audit was conducted by Raveendra Naathg & Associates Chartered Accountants for the year ended March 31<sup>st</sup> 2012 & 2013, Chandan & Ranjith Chartered Accountants for the year ended March 31<sup>st</sup> 2014 & 2015 and JBRK & Co. Chartered Accountants for the year ended March 31<sup>st</sup> 2016.
3. We have also examined the financial information of the Company for the year ended March 31<sup>st</sup> 2012, 2013, 2014, 2015 and 2016 prepared and approved by the Board of Directors for the purpose of disclosure in the offer documents of the company mentioned in Paragraph (1) above.



The financial information for the above period was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Engagement Standards issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform our audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and the other provisions relating to accounts of M/s Husys Consulting Limited, We, M/s Minesh Anand & Associates have subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the restated financial information appropriately.

4. In accordance with the requirements of the Companies Act, 2013, the SEBI (ICDR) Regulations and terms of our engagements agreed with you, we further report that;
  - a) The Restated Summary Statement of Assets and Liabilities of the Company, including as at March 31<sup>st</sup> 2012, 2013, 2014, 2015 and 2016 examined by us, as set out in ANNEXURE I to this report are after making adjustments and regrouping as in our opinion were appropriate and are subject to the Significant Accounting Policies and Notes to accounts along with adjustments on account of change in policies and restatements as appearing in ANNEXURE IV to this report.
  - b) The Restated Summary Statement of Profit or Loss of the Company for the year then ended, including for the year ended March 31<sup>st</sup> 2012, 2013, 2014, 2015 and 2016 examined by us, as set out in ANNEXURE II to this report are after making adjustments and regrouping as in our opinion were appropriate and are subject to the Significant Accounting Policies and Notes to accounts along with adjustments on account of change in policies and restatements as appearing in ANNEXURE IV to this report
  - c) The Restated Summary Statement of Cash Flow of the Company for the year then ended, including for the year ended March 31<sup>st</sup> 2012, 2013, 2014, 2015 and 2016 examined by us, as set out in ANNEXURE III to this report are after making adjustments and regrouping as in our opinion were appropriate and are subject to the Significant Accounting Policies and Notes to accounts along with adjustments on account of change in policies and restatements as appearing in ANNEXURE IV to this report
5. Based on above, we are of the opinion that that the restated financial information have been made after incorporating.
  - i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
  - ii) Adjustments for the material amounts in the respective financial years to which they relate.
  - iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts.
  - iv) There are no other qualifications requiring adjustments other than the points contained in notes.

6. We have also examined the following other Restated financial information set out in Annexures prepared by the Management and approved by the Board of Directors relating to the Company as at and for the year ended March 31<sup>st</sup> 2012, 2013, 2014, 2015 and 2016.
- i) Statement of Share Capital as appearing in Annexure V to this report
  - ii) Statement of Reserves and Surplus, as Restated as appearing in Annexure VI to this report
  - iii) Statement of Long Term Borrowings, as Restated as appearing in Annexure VII to this report
  - iv) Statement of Non-Current liabilities as Restated as appearing in Annexure VIII to this report
  - v) Statement of Long Term provisions as Restated as appearing in Annexure IX to this report
  - vi) Statement of Short Term Borrowings as Restated as appearing in Annexure X to this report
  - vii) Statement of Trade receivables , as Restated enclosed as Annexure XI to this report
  - viii) Statement of Contingent Liabilities, as Restated as appearing in Annexure XII to this report
  - ix) Statement of Other Income, as Restated as appearing in Annexure XIII to this report
  - x) Statement of Related Party Transaction included in Annexure XIV to this report
  - xi) Statement of Tax Shelter included as per Annexure XV to this report
  - xii) Statement of Capitalizations, as Restated as appearing in Annexure XVI to this report
  - xiii) Statement of Earnings per Share included in Annexure XVII
  - xiv) Statement of Accounting Ratios included in Annexure XVIII
  - xv) Statement of Financial Indebtedness is as per Annexure XIX

In our opinion the Restated financial information contained in Annexure I to XVIII of this report read along with the Significant Accounting Policies, Notes to accounts and adjustments on account of change in policies and restatements as appearing in Annexure IV to this report along with regroupings as considered appropriate, and have been prepared in accordance with sub- clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Regulations issued by SEBI.

7. 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 us.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. Our report is intended solely for use of the Management and for inclusion in the offer documents in connection with the proposed issue of equity shares of the Company. Our report should not be used for any other purpose except with our consent in writing.

**For, Minesh Anand and Associates,  
Chartered Accountants  
FRN No: 011719C**

**Minesh Kumar Jain  
Partner  
M. No.: 400283**

Place: Hyderabad  
Date: May 23, 2016

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

(Rs. In Lakhs)

Particulars		Note No.	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>						
<b>1</b>	<b>Shareholders' funds</b>						
(a)	Share capital	1	167.33	126.00	63.00	42.00	42.00
(b)	Reserves and surplus	2	77.83	28.37	67.30	39.37	33.10
			<b>245.16</b>	<b>154.37</b>	<b>130.30</b>	<b>81.37</b>	<b>75.10</b>
<b>2</b>	<b>Share Application Money Pending Allotment</b>		-	-	-	6.35	6.35
<b>3</b>	<b>Non-current liabilities</b>						
(a)	Long-term borrowings	3	4.54	5.39	6.20	-	-
(b)	Non-Current Liabilities	4	-	-	-	-	-
(c)	Deferred tax liabilities		3.66	8.95	5.86	1.98	1.31
(d)	Long Term Provisions	5	-	-	-	0.10	-
			<b>8.20</b>	<b>14.34</b>	<b>12.06</b>	<b>2.08</b>	<b>1.31</b>
<b>4</b>	<b>Current liabilities</b>						
(a)	Short-term borrowings	6	143.46	148.21	106.82	68.16	35.03
(b)	Trade payables	7	19.22	23.66	22.26	7.72	-
(c)	Other current liabilities	8	63.53	106.16	80.18	44.55	22.17
(d)	Short-term provisions	9	29.00	6.54	10.13	2.13	2.93
			<b>255.21</b>	<b>284.57</b>	<b>225.59</b>	<b>122.56</b>	<b>60.14</b>
	<b>TOTAL</b>		<b>508.57</b>	<b>453.28</b>	<b>361.75</b>	<b>212.36</b>	<b>142.90</b>

<b>II</b>	<b>ASSETS</b>						
<b>1</b>	<b>Non-current assets</b>						
(a)	Fixed assets						
	Tangible assets Net Block	10	41.12	55.70	43.66	33.81	26.16
	Intangible Assets Net Block		10.37	24.94	29.69	2.07	2.17
	Capital work-in-progress		251.35	210.15	104.77	-	-
(b)	Non-current investments		-	-	-	-	-
(c)	Deferred tax Assets		-	-	-	-	-
(d)	Long Term Loans & Advances	11	-	-	-	43.20	-
(e)	Other Non-current Assets	12	-	-	-	-	-
			302.84	290.79	178.12	79.08	28.33
<b>2</b>	<b>Current assets</b>						
(a)	Inventories	13	-	-	-	-	-
(b)	Trade receivables	14	57.18	54.69	91.82	62.49	26.44
(c)	Cash and cash equivalents	15	26.30	5.60	23.21	5.11	1.18
(d)	Short-term loans & advances	16	122.25	102.20	68.59	65.68	86.95
(e)	Other current assets	12	-	-	-	-	-
			<b>205.73</b>	<b>162.49</b>	<b>183.62</b>	<b>133.28</b>	<b>114.57</b>
	<b>TOTAL</b>		<b>508.57</b>	<b>453.28</b>	<b>361.74</b>	<b>212.36</b>	<b>142.90</b>

**STATEMENT OF PROFIT AND LOSS AS RESTATED**

(Rs. In Lacs)

Sr. No	Particulars	Note No.	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
<b>I</b>	<b>Income</b>						
	Revenue from operations:						
	Sale of Services	17	1,241.35	925.14	520.62	315.56	186.84
	Total Sales Excluding Taxes		1,241.35	925.14	520.62	315.56	186.84
	Less: Duties & Taxes						
	Total Sales		1,241.35	925.14	520.62	315.56	186.84
	Other income	18	3.53	0.84	7.04	0.12	0.05
	<b>Total Revenue</b>		<b>1,244.88</b>	<b>925.98</b>	<b>527.66</b>	<b>315.68</b>	<b>186.89</b>
<b>II</b>	<b>Expenses</b>						
	Cost of materials consumed		-	-	-	-	-
	Change in inventories of FG & WIP	19	-	-	-	-	-
	Purchases of traded goods	20	-	-	-	-	-
	Employee benefits expense	21	1,061.74	724.81	413.99	242.32	140.17
	Finance costs	22	14.22	7.82	2.40	12.00	9.25
	Depreciation and amortization expense	23	29.15	10.98	4.87	3.52	2.98
	Other expenses	24	84.23	147.53	64.46	48.77	23.56
	<b>Total Expenses</b>		<b>1,189.34</b>	<b>891.14</b>	<b>485.72</b>	<b>306.61</b>	<b>175.96</b>
<b>III</b>	<b>Profit before exceptional and extraordinary items and tax (I-</b>		<b>55.54</b>	<b>34.84</b>	<b>41.94</b>	<b>9.07</b>	<b>10.93</b>

	<b>II)</b>						
IV	Exceptional items						
	Depreciation written back		-	-	-	-	-
	Profit on sale of Assets		-	-	-	-	-
<b>V</b>	<b>Profit before extraordinary items and tax (III - IV)</b>		<b>55.54</b>	<b>34.84</b>	<b>41.94</b>	<b>9.07</b>	<b>10.93</b>
VI	Extraordinary Items		-	-	-	-	-
<b>VII</b>	<b>Profit before tax (V - VI)</b>		<b>55.54</b>	<b>34.84</b>	<b>41.94</b>	<b>9.07</b>	<b>10.93</b>
VII I	Tax expense:						
	Current tax		22.46	7.67	10.13	2.13	2.93
	Deferred tax Liability/(Assets)		(5.30)	3.10	3.88	0.67	0.45
	Total Tax Expense		17.16	10.76	14.01	2.80	3.38
<b>IX</b>	<b>Profit (Loss) for the period (VII-VIII)</b>		<b>38.38</b>	<b>24.07</b>	<b>27.93</b>	<b>6.27</b>	<b>7.55</b>

**STATEMENT OF CASH FLOW FROM RESTATED FINANCIAL STATEMENT**

(Rs. In Lacs)

<b>Particulars</b>	<b>As at 31-03-2016</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>	<b>As at 31-03-2013</b>	<b>As at 31-03-2012</b>
<b>A. Cash flow from operating activities</b>					
Net Profit / (Loss) after tax	38.38	24.07	27.93	6.27	7.56
<b>Adjustments for:</b>					
Depreciation and amortization	29.14	10.98	4.87	3.52	2.98
Preliminary Expenses	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Profit/loss on sale of fixed assets	-	-	-	-	-
Employees GLIC	-	-	-	-	-
Provision for deferred tax liability	(5.30)	3.10	3.88	0.67	1.45
Excess Depreciation written back	-	-	-	-	-
Prior period Expense (Income)	-	-	-	-	-
Rent Received	-	-	(6.87)	-	-
Finance costs	14.22	7.82	2.40	12.00	9.25
Interest Received					
<b>Operating Profit before Working capital changes</b>	<b>76.45</b>	<b>45.97</b>	<b>32.20</b>	<b>22.45</b>	<b>21.23</b>
<b>Adjusted for:</b>					
Inventories	-	-	-	-	-
Trade receivables	(2.49)	36.41	(29.77)	(36.05)	(6.38)
Long Term Loans & Advances	-	-	43.20	(43.20)	7.89
Other Non-current Assets	-	-	-	-	-
Short-term loans and advances	(20.05)	(33.61)	(2.90)	21.26	(0.42)
Short Term borrowings	(4.75)	41.39	38.65	33.13	35.03

<b><u>Other current assets</u></b>	-	-	-	-	-
Trade payables	(4.44)	1.40	14.54	7.72	-
Other current liabilities	(42.62)	25.98	35.63	22.37	11.00
Short term provisions	44.92	4.08	18.12	1.33	3.68
Cash Generated from Operations	47.03	121.61	149.68	29.02	72.03
Taxes paid	22.46	7.67	10.13	2.13	2.93
<b>Net Cash Generated from Operations</b>	<b>24.57</b>	<b>113.94</b>	<b>139.55</b>	<b>26.89</b>	<b>69.10</b>
<b>B. Cash flow from investing activities</b>					
Additions to Fixed assets	-	(17.54)	(44.60)	(10.96)	(1.50)
Sale of Fixed assets	-	-	3.77	-	-
Addition in Capital work-in-progress	(41.20)	(105.38)	(104.77)	-	-
Purchase of Investments	-	-	-	-	-
Sale of Fixed assets	-	-	-	-	-
Interest Received	-	-	-	-	-
Rent Received	-	-	6.87	-	-
Proceeds from sale of long term investment	-	-	-	-	-
<b>Net cash used in investing activities</b>	<b>(41.20)</b>	<b>(122.92)</b>	<b>(146.26)</b>	<b>(10.96)</b>	<b>(1.50)</b>
<b>C. Cash flow from financing activities</b>					
Shares Issue during the year	41.33	-	21.00	-	-
Security Premium on shares issue	11.08	-	-	-	-
Share application money pending allotment	-	-	-	-	-
Proceeds/(Repayments) from long-term borrowings	(0.85)	(0.82)	6.20	-	(60.77)
Proceeds /(repayments) from other short-term borrowings	-	-	-	-	2.11
Interest Income	-	-	-	-	-



Finance cost	(14.22)	(7.82)	(2.40)	(12.00)	(9.25)
<b>Net cash used in financing activities</b>	<b>37.33</b>	<b>(8.64)</b>	<b>24.80</b>	<b>(12.00)</b>	<b>(67.91)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>20.70</b>	<b>(17.61)</b>	<b>18.10</b>	<b>3.93</b>	<b>(0.32)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5.60</b>	<b>23.21</b>	<b>5.11</b>	<b>1.18</b>	<b>1.50</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>26.30</b>	<b>5.60</b>	<b>23.21</b>	<b>5.11</b>	<b>1.18</b>

## **ANNEXURE IV STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

### **Corporate Information**

Husys Consulting Limited is a Limited Company incorporated under the provision of Companies Act, 1956 in India. The Company is engaged in business of Human Resources Management Solutions and Advisory Services. Its registered office is situated at 1-8-505/D/E/A, Husys House, Prakash Nagar Extension, Begumpet, Hyderabad 500016.

### **Significant Accounting Policies:**

#### **1. Basis of Accounting**

The financial Statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting standards specified under Section 133 of the Companies Act 2013 read with rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act 2013. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

#### **2. Fixed Assets and Depreciation**

- a. Fixed Assets are stated at cost, less accumulated depreciation/amortization. Cost includes all expenses incurred to bring the assets to its present location and condition.
- b. Fixed Assets include computers and other assets individually costing of Rs.50000 or less which are not capitalized except when they are part of larger capital investment program.

#### **3. Impairment of Assets**

The company assesses at each Balance Sheet Date whether there is any indication of impairment to the assets. If any such indication exists the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generation unit to which the asset belongs is less than its carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance sheet date there is indication that the previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical cost.

#### **4. Revenue Recognition**

Revenue are recognized to the extent that it is probable that economic benefit will flow to the company and revenue can be reliably measured. It is accounted for net of trade discount.

#### **5. Taxation**

Tax expense comprises of both current tax and deferred tax. The provision for current tax is made in accordance with provisions of the Income Tax act 1961.

Deferred Tax Assets (DTA) and liabilities (DTL) are computed on the timing differences at the Balance Sheet date using the tax rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. DTA is recognized based on management estimates of reasonable certainty that sufficient taxable income will be available against which such DTA can be realized. DTA in relation to unabsorbed depreciation or carried forward losses under the taxation laws are recognized only if there is virtual certainty of realization of such assets.

## **6. Provisions and Contingent Liabilities**

- a. The company creates a provision when there is present obligations a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- b. Discloser for a contingent liability is made when there is possible obligation or a present obligation that probably will not required an out flow of recourses or where a reliable estimates of the obligation cannot be made.

## **7. Earnings Per share**

Basic Earnings per share is calculated by dividing the net profit or loss for the financial year attributed to equity shareholders by the weighted average number of equity shares outstanding during the financial year.

**NOTES TO RESTATED FINANCIAL STATEMENTS**

**NOTE-1  
SHARE CAPITAL**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Authorized:					
Equity Shares of Rs.10 each	500.00	250.00	250.00	50.00	50.00
Preference Shares of Rs.10 each	0.00	0.00	0.00	0.00	0.00
Total :	500.00	250.00	250.00	50.00	50.00
Issued, Subscribed, & Paid up:					
Equity Shares of Rs.10 each	167.33	126.00	63.00	42.00	42.00
Preference Shares of Rs.10 each	-	-	-	-	-
	<b>167.33</b>	<b>126.00</b>	<b>63.00</b>	<b>42.00</b>	<b>42.00</b>
Share Application Money	-	-	-	6.35	6.35
<b>Total</b>	<b>167.33</b>	<b>126.00</b>	<b>63.00</b>	<b>48.35</b>	<b>48.35</b>

**NOTE-2  
RESERVES AND SURPLUS**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Securities Premium					
As per last Balance Sheet	-	-	-	-	-
Add: Received securities premium on share issue	11.08	-	-	-	-
Less: Share issue expenses	-	-	-	-	-
Less: Utilised for issue of bonus shares	-	-	-	-	-
	<b>11.08</b>	-	-	-	-

General Reserve					
As per last Balance Sheet	-	-	-	-	-
Add: Appropriation from Profit & Loss Account	-	-	-	-	-
Less: Share issue expenses	-	-	-	-	-
Less: Utilised for issue of bonus shares	-	-	-	-	-
Profit & Loss Account					
Opening Balance	28.37	67.30	39.37	33.10	25.55
Additions/(loss) during the year	38.38	24.07	27.93	6.27	7.56
Less: Utilised for Dividend	-	-	-	-	-
Less: Utilised for Dividend distribution tax	-	-	-	-	-
Less: Utilized for issue of bonus shares	-	(63.00)	-	-	-
Closing Balance	66.75	28.37	67.30	39.37	33.10
<b>Total</b>	<b>77.83</b>	<b>28.37</b>	<b>67.30</b>	<b>39.37</b>	<b>33.10</b>

**NOTE-3  
LONG TERM BORROWINGS**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
i) Secured					
Term Loan	-	-	-	-	-
Corporate Loan	-	-	-	-	-
Vehicle Loan	4.54	5.39	6.20	0.00	0.00
ii) Unsecured					
From Related Parties	-	-	-	-	-
From others	-	-	0.00	0.00	0.00
From NBFC	-	-	0.00	0.00	0.00
Inter corporate Deposits	-	-	-	-	-

From Banks	-	-	-	-	-
<b>Total</b>	<b>4.54</b>	<b>5.39</b>	<b>6.20</b>	<b>0.00</b>	<b>0.00</b>

**NOTE-4  
NON CURRENT LIABILITIES**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE-5  
LONG TERM PROVISIONS**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Provision for FBT				0.10	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>-</b>

**NOTE-6  
SHORT TERM BORROWINGS**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
i) Secured					
Working Capital Loan					
- Over draft Account	142.61	147.39	106.10	68.16	-
- Long Term Borrowings Due within one year	0.85	0.82	-	-	35.03
ii) Unsecured					
Inter Corporate Deposit	-	-	-	-	-
From Related parties	-	-	-	-	-
<b>Total</b>	<b>143.46</b>	<b>148.21</b>	<b>106.10</b>	<b>68.16</b>	<b>35.03</b>

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Dues to Micro, Small and Medium Enterprises	-	-	-	-	-
Dues to Others	19.22	23.66	22.26	7.72	-
Total	19.22	23.66	22.26	7.72	-
Trade Payable –dues to others includes amount payable to associates	0.57	3.60	4.32	-	-

NOTE-8

OTHER CURRENT LIABILITIES

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Current Liabilities					
i) Security Deposit Received	-	-	-	-	-
ii) Statutory Liabilities	32.05	41.97	51.58	27.86	-
iii) Other Payables	31.48	64.19	28.60	16.68	22.17
iv) Dividend and Dividend Tax payable	-	-	-	-	-
<b>Total</b>	<b>63.53</b>	<b>106.16</b>	<b>80.18</b>	<b>44.55</b>	<b>22.17</b>

NOTE-9

SHORT-TERM PROVISIONS

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Current Provisions					
Provision	29.00	6.54	10.13	2.13	2.93
<b>Total</b>	<b>29.00</b>	<b>6.54</b>	<b>10.13</b>	<b>2.13</b>	<b>2.93</b>

**NOTE – 10**  
**STATEMENT OF FIXED ASSETS, AS RESTATED**

(Rs. In Lacs)

Particulars	Tangible Assets						Intangible Assets
	Training Facility	Machinery	Office equipment	Computer	Vehicle	Office furniture	
Cost							
Balance as at 31 March, 2011	11.97	-	1.80	3.99	10.08	9.08	1.81
Addition	-	-	0.50	-	-	-	1.00
Disposals	-	-	-	-	-	-	
Balance as at 31 March, 2012	11.97	-	2.31	3.99	10.08	9.08	2.81
Addition	-	-	1.32	5.14	-	4.24	0.36
Disposals	-	-	-	-	-	-	
Balance as at 31 March, 2013	11.97	-	3.62	9.12	10.08	13.33	3.17
Addition	-	-	1.43	1.23	7.37	6.21	28.36
Disposals	-	-	-	-	(3.77)	-	
Balance as at 31 March, 2014	11.97	-	5.05	10.35	13.68	19.54	31.54
Addition	-	-	1.80	2.13	10.27	3.71	0.36
Disposals	-	-	-	-	-	-	
Balance as at 31 March, 2015	11.97	-	6.85	12.48	23.95	23.24	31.90
Addition	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	



		-					
Balance as at 31 March, 2016	11.97	-	6.85	12.48	23.95	23.24	31.90
ACCUMULATED DEPRECIATION							
Balance as at 1 April 2011	0.20	-	0.23	2.40	3.72	2.20	0.19
Depreciation for the year	0.20	-	0.15	0.65	0.96	0.57	0.46
Disposal							
Adjustments	-	-	-	-	-	-	
Balance as at 1 April 2012	0.39	-	0.38	3.04	4.68	2.77	0.64
Depreciation for the year	0.20	-	0.21	0.90	0.96	0.79	0.46
Disposal							
Adjustments					-		
Balance as at 1 April 2013	0.59	-	0.59	3.94	5.64	3.57	1.11
Depreciation for the year	0.20	-	0.27	1.61	1.12	0.94	0.74
Disposal					(1.51)		
Adjustments							
Balance as at 1 April 2014	0.78	-	0.86	5.54	5.25	4.50	1.84
Depreciation for the period	0.20	-	0.42	1.85	2.00	1.39	5.12
Disposal							
Adjustments			-	-			
Balance as at 31 March, 2015	0.98	-	1.28	7.40	7.25	5.89	6.96

Depreciation for the period	(0.03)	-	1.18	3.31	5.69	4.43	14.57
Disposal							
Adjustments							
Balance as at 31 March, 2016	0.95	-	2.46	10.71	12.94	10.32	21.53
<b>CARRYING AMOUNTS</b>							
As at 31 March 2012	11.58	-	1.93	0.94	5.40	6.31	2.17
As at 31 March 2013	11.39	-	3.04	5.19	4.44	9.76	2.07
As at 31 March 2014	11.19	-	4.19	4.81	8.43	15.04	29.69
As at 31 March 2015	11.00	-	5.57	5.08	16.70	17.35	24.94
As at 31 March 2016	11.02	-	4.40	1.77	11.01	12.92	10.37

**NOTE-11  
LONG TERM LOANS AND ADVANCES**

(Rs. in Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Loans and advances to Promoters, Directors and Related Parties	-	-	-	4.00	-
Security Deposits	-	-	-	-	-
Other Loans and Advances	-	-	-	39.20	-
Total	-	-	-	43.20	-
Loans and advances to Promoters, Directors and other related parties	-	-	-	4.00	-

**NOTE-12**

**OTHER NON-CURRENT ASSETS**

(Rs. in Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Fixed deposit	-	-	-	-	-
Total	-	-	-	-	-
Other Non-Current Investments					
Deposits	-	-	-	-	-
Total	-	-	-	-	-
Grand Total	-	-	-	-	-

**NOTE-13**

**INVENTORIES**

(Rs in Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Goods	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**NOTE-14**

**TRADE RECEIVABLES**

(Rs in Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Considered Good					
More than six months	30.87	35.98	25.03	9.94	3.80
Less than six months	26.31	18.71	66.79	52.55	22.64
<b>Total</b>	<b>57.18</b>	<b>54.69</b>	<b>91.82</b>	<b>62.49</b>	<b>26.44</b>

**NOTE-15**  
**CASH AND CASH EQUIVALENTS**

(Rs in Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Cash-in-Hand	0.04	0.04	0.03	0.03	0.01
Balances with Banks in Current Account	18.08	1.66	22.88	5.08	1.18
Recurring Deposit Account*	8.18	3.90	0.30	-	-
<b>Total</b>	<b>26.30</b>	<b>5.60</b>	<b>23.21</b>	<b>5.11</b>	<b>1.18</b>

\*Pledge with Bank of India as security for overdraft facilities.

**NOTE-16**  
**SHORT-TERM LOANS & ADVANCES**

(Rs in Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Short Term Loans & Advances					
i) Advances to related parties	39.24	18.65	3.87	20.48	3.86
ii) Advances others	14.56	17.56	7.10	12.51	59.92
ii) Advance Tax and TDS	68.45	66.00	57.62	32.69	23.17
<b>Total</b>	<b>122.25</b>	<b>102.20</b>	<b>68.59</b>	<b>65.68</b>	<b>86.95</b>
Loans and advances to Promoters, Directors, and other related parties	39.24	18.65	3.87	20.48	3.86

**NOTE-17**  
**SALES OF SERVICES**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Services					
Domestic Services	156.98	327.97	335.23	221.80	151.21
Export Services	1,084.37	597.17	185.39	93.76	35.63
<b>Total</b>	<b>1,241.35</b>	<b>925.14</b>	<b>520.62</b>	<b>315.56</b>	<b>186.84</b>

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Income Tax refund	-	-	6.87	-	-
Misc income	3.53	0.84	0.17	0.12	0.06
<b>Total</b>	<b>3.53</b>	<b>0.84</b>	<b>7.04</b>	<b>0.12</b>	<b>0.06</b>

NOTE-19

CHANGE IN INVENTORIES

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Opening Stocks	-	-	-	-	-
Less: Closing Stocks	-	-	-	-	-
INCREASE / (DECREASE) IN STOCK	-	-	-	-	-

NOTE-20

PURCHASES

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Purchase	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

NOTE - 21

EMPLOYEE BENEFITS EXPENSES

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Salaries and wages	995.69	677.72	382.23	210.68	99.15
Bonus	-	0.00	0.00	0.44	2.04
Staff Welfare	2.05	1.71	2.45	1.74	1.46
Employers Contribution to Provident fund	44.92	26.95	10.88	5.95	26.82
Directors Remuneration and	19.08	18.43	18.43	23.51	10.70

sitting fees					
<b>Total</b>	<b>1,061.74</b>	<b>724.81</b>	<b>413.99</b>	<b>242.32</b>	<b>140.17</b>

**NOTE - 22**  
**FINANCE COST**

(Rs. In Lacs)

<b>Particulars</b>	<b>As at 31-03-2016</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>	<b>As at 31-03-2013</b>	<b>As at 31-03-2012</b>
Bank Interest	10.84	0.77	1.03	10.72	8.73
Bank Charges	0.52	0.56	1.21	0.49	0.20
Interest on statutory payments	0.64	5.46	0.00	0.00	0.00
Foreign Exchange Fluctuation	1.16	0.33	0.00	0.00	0.00
Other Interest Expenses	1.06	0.70	0.16	0.79	0.32
<b>Total</b>	<b>14.22</b>	<b>7.82</b>	<b>2.40</b>	<b>12.00</b>	<b>9.25</b>

**NOTE-23**  
**DEPRECIATION & AMORTIZATION EXPENSE**

(Rs. In Lacs)

<b>Particulars</b>	<b>As at 31-03-2016</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>	<b>As at 31-03-2013</b>	<b>As at 31-03-2012</b>
Depreciation	14.58	5.86	4.13	3.05	2.52
Depreciation on intangible assets	14.57	5.12	0.74	0.47	0.46
Preliminary Expenses w/off	-	-	-	-	-
<b>Total</b>	<b>29.15</b>	<b>10.98</b>	<b>4.87</b>	<b>3.52</b>	<b>2.98</b>

**NOTE-24**  
**OTHER EXPENSES**

(Rs. In Lacs)

<b>Particulars</b>	<b>As at 31-03-2016</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>	<b>As at 31-03-2013</b>	<b>As at 31-03-2012</b>
Rent	34.52	27.45	11.62	10.69	2.53
Electricity Charges	1.58	1.18	1.24	1.28	0.54
Telephone	3.83	6.75	4.13	4.12	2.85
Office maintenance	0.00	0.77	2.10	2.10	1.03

Food and lodging Exp.	0.00	0.00	0.00	0.57	0.48
Vehicle Maintaince	0.00	0.00	0.00	1.17	0.09
Advertisement exp.	2.66	0.50	1.95	3.14	1.47
Training Exp.	6.42	5.07	10.45	0.16	0.68
Recurrent fees	0.00	3.06	0.00	0.00	3.44
Computer Maintaince	0.00	0.00	0.00	0.48	0.65
Printing & Stationary	0.70	0.57	0.00	0.54	1.13
Conveyance	0.00	0.00	0.00	1.37	0.81
Tours and Traveling Exp.	0.00	0.00	0.00	5.65	2.53
Insurance	0.00	0.00	0.00	1.79	0.00
Consultancy Charges	16.75	0.00	0.00	0.00	4.10
Postage and Telegram Expenses	0.00	0.00	0.00	0.11	0.00
Donation	0.00	0.00	0.00	0.04	0.22
Other Duties and Charges	0.14	0.14	1.97	0.00	0.51
Misc. Exp.	10.98	17.01	12.79	1.14	0.15
Commission and Brokerage	0.22	41.73	0.00	0.20	0.00
Car Hiring Charges	0.00	0.00	1.95	1.00	0.00
Job Portel Charges	2.66	2.47	1.29	2.74	
Professional and Technical Exp.	1.18	39.12	13.17	9.90	0.00
Repairs and Maintaince	1.26	1.07	1.55	0.32	
Auditors' Remuneration	1.30	0.65	0.25	0.25	0.35
<b>Total</b>	<b>84.23</b>	<b>147.53</b>	<b>64.46</b>	<b>48.77</b>	<b>23.56</b>

**ANNEXURE V**  
**DETAILS OF SHARE CAPITAL, AS RESTATED**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Authorized:					
Equity Shares of Rs.10 each	500.00	250.00	250.00	50.00	50.00
Preference Shares of Rs.10 each	0.00	0.00	0.00	0.00	0.00
Total :	500.00	250.00	250.00	50.00	50.00
Issued, Subscribed, & Paid up:					
Equity Shares of Rs.10 each	167.33	126.00	63.00	42.00	42.00
Preference Shares of Rs.10 each	-		0	0	0
	167.33	126.00	63.00	42.00	42.00
Share Application Money				6.35	6.35
<b>Total</b>	<b>167.33</b>	<b>126.00</b>	<b>63.00</b>	<b>48.35</b>	<b>48.35</b>

The Company has issued 630000 Bonus Shares in the ratio of 1:1 during FY 2014-15 utilizing reserves amount

Reconciliation of No. of Shares Outstanding at the end of the year

Particulars	Equity Shares				
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
	Number	Number	Number	Number	Number
Shares outstanding at the beginning of the year	1,260,000	630,000	420,000	420,000	420,000
Shares Issued during the year including bonus	413,250	630,000	210,000	-	-
Shares bought back during the year	-	-	-	-	-
Any other movement (please specify)	-	-	-	-	-
Shares outstanding at the end of the year	1,673,250	1,260,000	630,000	420,000	420,000



Details of Equity share holders having voting rights more than 5 % of the aggregate shares in the company

Name of Equity Shareholders	As at 31-03-2016		As at 31-03-2015		As at 31-03-2014		As at 31-03-2013		As at 31-03-2012	
	No. of Shares held	% Holding	No. of Shares held	% Holding	No. of Shares held	% Holding	No. of Shares held	% Holding	No. of Shares held	% Holding
G. Ramalinga Reddy	981,385	58.65	616,000	48.89	308,000	48.89	210,000	50.00	210,000	50.00
G. Praveena Reddy	644,000	38.49	644,000	51.11	322,000	51.11	210,000	50.00	210,000	50.00

**ANNEXURE VI  
STATEMENT OF RESERVES AND SURPLUS, AS RESTATED**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Securities Premium					
As per last Balance Sheet	0.00	0.00	0.00	0.00	0.00
Add: Received securities premium on share issue	11.08	0.00	0.00	0.00	0.00
Less: Share issue expenses	0.00	0.00	0.00	0.00	0.00
Less: Utilised for issue of bonus shares	0.00	0.00	0.00	0.00	0.00
	11.08	0.00	0.00	0.00	0.00
General Reserve					
As per last Balance Sheet	-	-	-	-	-
Add: Appropriation from Profit & Loss Account	-	-	-	-	-
Less: Share issue expenses	-	-	-	-	-
Less: Utilised for issue of bonus shares	-	-	-	-	-

	-	-	-	-	-
Profit & Loss Account					
Opening Balance	28.37	67.30	39.37	33.10	25.55
Additions/(loss) during the year	38.38	24.07	27.93	6.27	7.56
Less: Utilised for Dividend	0.00	0.00	0.00	0.00	0.00
Less: Utilised for Dividend distribution tax	0.00	0.00	0.00	0.00	0.00
Less: Utilised for issue of bonus shares	0.00	(63.00)	0.00	0.00	0.00
Closing Balance	66.75	28.37	67.30	39.37	33.10
<b>Total</b>	<b>77.83</b>	<b>28.37</b>	<b>67.30</b>	<b>39.37</b>	<b>33.10</b>

**ANNEXURE VII  
LONG TERM BORROWINGS, AS RESTATED**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
i) Secured					
Term Loan	-	-	-	-	-
Term Loan	-	-	-	-	-
Vehicle Loan	4.54	5.39	-	-	-
ii) Unsecured					
From Related Parties	-	-	-	-	-
From others	-	-	-	-	-
From NBFC	-	-	-	-	-
Inter corporate Deposits	-	-	-	-	-
From Banks	-	-	-	-	-
<b>Total</b>	<b>4.54</b>	<b>5.39</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE VIII  
NON CURRENT LIABILITIES AS RESTATED**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
	-	-	-	-	-

**ANNEXURE IX  
LONG TERM PROVISIONS**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Provision	-	-	-	0.10	-
<b>Total</b>	-	-	-	<b>0.10</b>	-

**ANNEXURE X  
SHORT TERM BORROWINGS**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
i) Secured					
Working Capital Loan					
- Over Draft	142.61	147.39	106.10	68.16	-
- Long Term Borrowings Due within one year	0.85	0.82	-	-	35.03
ii) Unsecured					
Inter Corporate Deposit					
From Related parties					
<b>Total</b>	<b>143.46</b>	<b>148.21</b>	<b>106.10</b>	<b>68.16</b>	<b>35.03</b>

**ANNEXURE XI  
TRADE RECEIVABLES**

(Rs in Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Considered Good					
More than six months	30.88	35.98	25.04	9.93	3.80
Less than six months	26.31	18.71	66.79	52.55	22.64
<b>Total</b>	<b>57.19</b>	<b>54.69</b>	<b>91.83</b>	<b>62.48</b>	<b>26.44</b>

**ANNEXURE XII  
CONTINGENT LIABILITIES**

(Rs in Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Contingent Liabilities					
TDS Demand	2.30	1.95	1.75	0.57	0.31
Income Tax Demand	1.98	-	-	-	-
<b>Total</b>	<b>4.28</b>	<b>1.95</b>	<b>1.75</b>	<b>0.57</b>	<b>0.31</b>

**ANNEXURE XIII  
DETAILS OF OTHER INCOME**

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Income Tax refund	0.00	-	6.87	-	-
Misc income	3.53	0.84	0.16	0.12	0.06
<b>Total</b>	<b>3.53</b>	<b>0.84</b>	<b>7.03</b>	<b>0.12</b>	<b>0.06</b>

Names of related parties and description of relationship

Particulars	For the Year Ended March 31st				
	2016	2015	2014	2013	2012
Key Management Personnel	Gundlapally Ramalinga Reddy-MD	Gundlapally Ramalinga Reddy -MD	Gundlapally Ramalinga Reddy -MD	Gundlapally Ramalinga Reddy -MD	Gundlapally Ramalinga Reddy -MD
	Gundlapally Praveena WTD	Gundlapally Praveena WTD	Gundlapally Praveena WTD	Gundlapally Praveena WTD	Gundlapally Praveena WTD
	Biju Varkkey-Director	-	-	-	-
	Nina Elizabeth Woodard-Director	Nina Elizabeth Woodard-Director	-	-	-
	Geeta Goti-Director	Geeta Goti-Director	-	-	-
	Harshita Jain - Secretary	-	-	-	-
	Francis Paul -CFO	-	-	-	-
Relatives of Key Management Personnel	Malreddy Shankar Reddy	Malreddy Shankar Reddy	Malreddy Shankar Reddy	Malreddy Shankar Reddy	Malreddy Shankar Reddy
	-	-	-	-	-
	-	-	-	-	-
Enterprise under significant Influence of Key Management Personnel	NIL	-	-	-	-

Details of Related Party Transactions are as follows:

(Rs. In Lacs)

Nature of the Transaction	Name of Party	For the Year Ended March 31				
		2016	2015	2014	2013	2012
	Key Management Personnel					
Remuneration	Gundlapally Ramalinga Reddy Managing Director	11.99	11.99	11.99	11.78	4.67
	Gundlapally Praveena Whole Time Directors	6.44	6.44	6.44	5.75	1.80
	K Sudhakar Kumar Directors	0.00	0.00	0.00	5.98	4.23
	Harshita Jain - Secretary	2.30	-	-	-	-
	Francis Paul -CFO	6.25	0.60	-	-	-
Sitting Fees	Geeta Goti-Director	0.30	-	-	-	-
	Nina Elizabeth Woodard-Director	0.28	-	-	-	-
	Biju Varkkey-Director	0.07	-	-	-	-
Rent	Gundlapally Ramalinga Reddy-Managing Director	11.94	4.80	4.80	4.80	2.40
	Relatives of Key Management Personnel					
	-	-	-	-	-	-
	-	-	-	-	-	-
	Enterprise under significant Influence of Key Management Personnel					
Interest paid	-	-	-	-	-	-
Loans & Advances Given	Key Management Personnel					
	Gundlapally Ramalinga Reddy Managing Director	27.24	12.70	8.06	1.14	(0.62)

	Gundlapally Praveena Whole Time Directors	11.25	5.21	(1.05)	-	(4.95)
	Relatives of Key Management Personnel					
	Malreddy Shankar Reddy	0.75	0.74	0.86	19.34	9.43
	Enterprise under significant Influence of Key Management Personnel					
	-	-	-	-	-	-
Loans & Advances repaid	Directors					
	-	-	-	-	-	-
	Enterprise under significant Influence of Key Management Personnel					
	-	-	-	-	-	-
Loans & Advances taken	Director					
	-	-	-	-	-	-
	Enterprise under significant Influence of Key Management Personnel					
	Relatives of Key Management Personnel					
Outstanding Loans , other current liabilities and creditors	Director					
	Geeta Goti- ED	0.57	-	-	-	-
	Gundlapally Ramalinga Reddy	-	3.60	4.32	-	-
	Relatives of Key Management Personnel					
	-	-	-	-	-	-
	Enterprise under significant Influence of Key Management Personnel					
	-	-	-	-	-	-

**ANNEXURE XV  
TAX SHELTER STATEMENT**

(Rs.in Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Tax Rate	30%	30%	30%	30%	30%
Surcharge	0%	0%	0%	0%	0%
Educational Cess	3%	3%	3%	3%	3%
Effective Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Net Profit before Tax, as Restated (A)	55.55	34.84	41.94	9.07	10.93
Adjustments :	29.15	10.98	4.87	3.52	2.98
Timing Difference	12.01	21.00	17.43	5.69	4.42
Depreciation as per Companies Act	17.14	(10.02)	(12.56)	(2.17)	(1.45)
Depreciation as per Income tax Act	17.14	(10.02)	(12.56)	(2.17)	(1.45)
Difference between Tax WDV and Book WDV	-	-	-	-	-
Total Timing Difference (B)	-	-	-	-	-
Income considered separately ( C)	-	-	-	-	-
Permanent Difference	-	-	-	-	-
Expenses disallowed/ Other Disallowances under the Income Tax Act	-	-	3.40	-	-
Total Permanent Difference (D)	-	-	3.40	-	-
Net Adjustments(E=B-C+D)	17.14	(10.02)	(9.16)	(2.17)	(1.45)
Income from Other Sources (F)	-	-	-	-	-
Total Taxable income (G= A+E+F)	72.68	24.81	32.78	6.90	9.49
Tax Expense thereon	22.46	7.67	10.13	2.13	2.93



Particulars	Pre-Issue	Post-Issue
Borrowings		
Short Term Debt	143.46	143.46
Long Term Debt	4.54	4.54
Total Debt	148.00	148.00
Shareholder's Funds		
Share Capital	167.33	228.12
Reserves & Surplus	77.83	539.91
Total Shareholder's Funds	245.15	768.02
Total Capitalization		
Long Term Debt/Equity Ratio	0.02	0.01
Total Debt/Equity Ratio	0.60	0.19
Notes:-		
1) Short-Term debt represents debts which are due within twelve months from March, 2016 and include installments of Long term debt repayable within twelve months.		
2) Long-term debt represents debt other than short-term debt, as defined above.		
3) The figures disclosed above are based on the restated financial statements of the company.		

**ANNEXURE XVII  
EARNING PER SHARE**

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
I) Number of shares at the beginning of the year	1,260,000	1,260,000	420,000	420,000	420,000
II) Number of shares at the end of the year	1,673,250	1,260,000	1,260,000	420,000	420,000
III) Weighted average number of Equity Shares outstanding during the year	1,466,625	1,260,000	1,085,000	420,000	420,000
IV) Weighted average number of Potential Equity Shares outstanding during the year	1,466,625	1,260,000	1,085,000	420,000	420,000
V) Weighted average number of Equity Shares for calculating diluted EPS	1,466,625	1,260,000	1,085,000	420,000	420,000
B) Net Profit/(Loss) after tax adjustments available for equity shareholders	38.38	24.07	27.93	6.27	7.56
C) Basic earnings per share (in rupees) {B/A (III)}*	2.62	1.91	2.57	1.49	1.80
D) Diluted earnings per share (in rupees) {B/A (V)} *	2.62	1.91	2.57	1.49	1.80

**ANNEXURE XVIII  
SUMMARY OF ACCOUNTING RATIOS**

Particulars	As at 31-03- 2016	As at 31-03- 2015	As at 31-03- 2014	As at 31-03- 2013	As at 31-03- 2012
Net Profit Attributable to Equity Shareholders	38.38	24.07	27.93	6.27	7.56
Earnings Per Share (EPS) (Rs.) [a/b]					
- Basic [a/b]	2.62	2.41	4.43	0.75	1.80
- Diluted [a/d]	2.62	2.41	4.43	0.75	1.80

Cash Earnings Per Share (Rs.) [f/b]	4.60	3.51	5.21	1.16	2.51
Return on Net Worth (%) [a/g %]	15.66%	15.59%	21.43%	7.70%	10.06%
Net Asset Value Per Share (Rs.) [h/e]	14.65	12.25	20.68	19.37	17.88
Weighted Average No. of Equity Shares (in lacs)	14.67	9.98	6.30	8.40	4.20
No. of Equity Shares outstanding(in lacs)	16.73	12.60	6.30	4.20	4.20

Notes :

Particulars	As at 31-03- 2016	As at 31-03- 2015	As at 31-03- 2014	As at 31-03- 2013	As at 31-03- 2012
Net Profit after tax adjustments [a]	38.38	24.07	27.93	6.27	7.56
Weighted Average No. of Equity Shares (in lacs) [b]	14.67	9.98	6.30	8.40	4.20
Weighted Average No. of Potential Equity Shares (in lacs) [c]	14.67	9.98	6.30	8.40	4.20
Total No. of Equity Share for Calculating Diluted EPS [d]	14.67	9.98	6.30	8.40	4.20
No. of Equity Shares at the end of the year/period (in lacs) [e]	16.73	12.60	6.30	4.20	4.20
Cash Earning [f]	67.53	35.05	32.79	9.79	10.53
Net Worth [g]	245.15	154.37	130.30	81.37	75.10
Net Asset [h]	245.15	154.37	130.30	81.37	75.10

**Formula**

2	<u>Formula :</u>	
Earnings per Share (Rs.) =		<u>Net Profit attributable to equity shareholders</u>  Weighted Average number of equity shares outstanding during the period
Net Asset Value Per Share (Rs.) =		<u>Net Worth excluding revaluation reserve at the end of the period</u>  Total Number of equity shares outstanding at the end of the year/period
Return on Net Worth (%) =		<u>Net Profit after tax adjustments</u>  Net worth at the end of the year/period
Cash Earning =		Net Profit after tax adjustments add Depreciation, Preliminary Expenses written off and Deferred Tax Liability, diminution in value of investments, Earlier year depreciation.
Net Asset =		Equity Share Capital plus Reserves & Surplus less Miscellaneous Expenditure to the extent not written off
<p>Note : Weighted Average no of Equity Shares is calculated after adjusting for bonus equity shares issued, with retrospective effect for all the periods reported</p>		

Name of Bank	Loan No.	Nature of Loan	Facility Key term			Outstanding as on March. 31, 2016 (Rs in Lac)	Security
			Loan Amount (Rs in Lac)	Rate of Interest (%)	Total Term (Months)		
Bank of India, Kachiguda Branch Hyderabad	Kgd:Cr:2016-17 dated 06/03/2014	Over Draft	195.00	BR+ 4.15%	On Demands	142.61	<p>Hypothecation of Book debts and other Current Assets of the Company Collateral Security -</p> <p>Equitable Mortgage of Residential House bearing Municipal No. 1-8-505/ E/ D/ A admeasuring 266.66 sq. yds. in Sy. No. 79, 94 &amp; 99 and Block A, G &amp; E, T.S.No. 1/1, 2, 6/2 &amp; 3, 4/2 and 5/1 &amp; 2 and 27/2 bearing cellar +G+1 floor totally admeasuring 6412 Sq. Ft. and other civil works there on situated at Prakash Nagar , Bholakpur Village, Secunderabad Owned by Gundlapally Ramalinga Reddy</p> <p>Equitable Mortgage of Open Residential land bearing House No. 1-8-505. in Sy. No. 55/2 ward no., 79, 94 &amp; 99 and Block A, G &amp; E, T.S.No. 1/1 &amp; 2, 6/2 &amp; 3, 4/2 and 5/1 &amp; 2 and 27/2 bearing cellar +G+1 floor totally admeasuring 6412 Sq. Ft. and other civil works there on situated at Prakash Nagar , Bholakpur Village, Secunderabad Owned by</p>

							<p>Mrs.Gundlapally Praveena</p> <p>Pledge of Recurring deposit of Rs. 30000 Per month in the name of Husys Consulting Pvt. Ltd.</p> <p>Third Party guarantee by Mr. G Ramalinga Reddy S/o Venkat Reddy and Mrs. Praveena Reddy W/o</p> <p>G Ramalinga Reddy</p>
Bank of India	1/7/2014*	Vehicle Loan	7.00	10.70 %	Monthly Installment of Rs.11876	5.39	Hypothecation of RITZ VDI

\*The Loan was disbursed on January 09, 2014.

Accompanying Notes to the restated Financial Statements

1. Background

- a. HUSYS CONSULTING LIMITED (the "Company") is a limited company domiciled in India and incorporated under the provisions of the Companies Act 1956. The company is engaged in business of Human Resource Management Solutions and Advisory Services . The Company's registered office is in Prakash Nagar, Begumpet Hyderabad. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.
- b. The Restated Statements of Assets and Liabilities as at 31<sup>st</sup> March 2016, 2015, 2014, 2013 and 2012 and the related Restated statement of Profit and Loss and Restated statement of Cash Flow for the period ended 31<sup>st</sup> March 2016,2015, 2014, 2013, and 2012 (hereinafter collectively referred to as - Restated Financial Statements) related to the company have been prepared specifically for inclusion in the offer document to be filed by the company with Securities Exchange Board of India (SEBI) in connection with proposed initial public offering of equity shares of the Company.
- c. The Restated Financial statements have been prepared to comply in all material respects with accordance to sub-clause (i) and (iii) of clause (b) of sub-section (1) of section of the Companies Act, 2013 ('the Act') read with Rule 4 of Companies ( prospectus and Allotment of Securities ) Rules, 2014 and the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (the SEBI Regulations) issued by SEBI in pursuance of Section 11 of Securities and Exchange Board of India Act, 1992.

## 2. Material Regroupings

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

### Restatement Adjustments

(Rs. In lacs)

Particulars	Period Ending March 31, 2016	Period Ending March 31, 2015	Period Ending March 31, 2014	Period Ending March 31, 2013	Period Ending March 31, 2012
Net Profit (as per Audited accounts)	38.38	24.07	27.93	6.27	7.56
Adjustments on account of					
Amortization of goodwill purchased					
Preliminary expenses written off	-	-	-	-	-
Provision for tax	-	-	-	-	-
Total	38.38	24.07	27.93	6.27	7.56
Tax Impact					
Adjusted Net Profit	38.38	24.07	27.93	6.27	7.56

### Contingent Liability

(Rs. In Lacs)

Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Contingent Liabilities					
TDS Demand	2.30	1.95	1.75	0.57	0.31
Income Tax Demand	1.98	-	-	-	-
<b>Total</b>	<b>4.28</b>	<b>1.95</b>	<b>1.75</b>	<b>0.57</b>	<b>0.31</b>

The amount of contingent liability is as provided to us by the management.

3. The loans and advances and sundry debtors are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect in the books of account in the year of such adjustments.
4. Capital work in Progress of Rs. 251.35 lac includes Interest on Clean overdraft Rs. 39.81 lac Professional & Technical fee Rs.68.88 lac ,conference Exp. Rs.2.78 lac ROC & IPO Exp. Rs. 5.94 lac and other expenses Rs.34.44 lac.
5. The company has deflated in detection /payment of Tax deducted at source against which the demand of Rs. 229932 is outstanding for various years including interest and late filing fees year wise details as below

Financial Year	Total Amount outstanding
2015-16	39925.70
2014-15	19630.50
2013-14	118342.06
2012-13	25930.00
Previous years	31104.00
Total	229932.26

6. The Company has received the Income Tax Assessment order dated 14/3/2016 for Assessment Year 2013-14 in which the Assessing officers has disallowed the expenses of Rs. 642,881/- resulting in to additional tax liability of Rs.198,650/- for which Notice u/s. 274 read with Section 271(1) (c) of the Income Tax Act, 1961 has been issued by the department. The company has not filed appeal against the said order.
7. The company has received the notice dated 16/2/2016 for default of Rs 662,362/-for the period April 2014 to March 2015 against which the company has filled the reply on 25/2/2016.
8. Segment Reporting: The Company is engaged in business Human Resource Management Solutions and Advisory Services with in India and outside India, in the context of Accounting Standard 17 on Segment Reporting as per management constitutes only a single reportable business segment.
9. Related Party Disclosures as required in terms of Accounting Standard - 18 are given in Annexure XIV
10. Earnings Per Share (EPS) as required in terms of Accounting Standard - 20 are given in Annexure XV
11. Micro, Small & Medium Enterprises Development Act, 2006:  
Under the Micro, Small & Medium Enterprises Development Act, 2006 which came into force from 2nd October, 2006, certain disclosures are require to be made relating to Micro, Small & Medium Enterprises.

In absence of information, we are not in position to identify the amount payable to Micro, Small & Medium Enterprises.

12. The company has not provided for Gratuity and other retirement benefits in the books of accounts.
13. As per explanation given by the management of the company no litigation cases are against the company and no litigation cases are filed the company.
14. As per explanation given by the management of the company all debtors and advances outstanding as on March 31, 2016 are good and recoverable except Rs. 10.80 debtors which are doubtful and not recoverable.
15. We have not been able to verify the liabilities for employees benefits
16. Related parties transactions are as per names of related parties provided by the management



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 prepared in accordance with the Companies Act, 1956 and Companies Act, 2013 to the extent applicable and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in "Financial Statements" beginning on page 143 of this Draft Prospectus beginning.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "Risk Factors" and "Forward-Looking Statements" beginning on pages 20 and 19 respectively, of this Draft Prospectus.

### BUSINESS OVERVIEW

Our Company was incorporated as Husys Consulting Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated August 24, 2005 in Hyderabad, Subsequently, our Company was converted into public limited company pursuant to which the name of our Company was changed to "Husys Consulting Limited" vide fresh certificate of incorporation dated August 06, 2015. Our Company got listed on Emerge Institutional Trading Platform of National Stock Exchange of India Limited (NSE) on August 21, 2015. Further, our Company has made an application for delisting from on Emerge Institutional Trading Platform of NSE vide letter dated April 25, 2016.

Husys is in the business of creating the concept of HR Function Outsourcing (HR Function Management-HRFM). We focus to be the most innovative, trusted partner in delivering cost effective solutions in the arena of Human Resources Development to the Industry & Society. Our Objective is to be a One-Stop Solution Provider for all Human Resources Challenges of Today's Organizations. Our products are time tested and proven to be effective for business results with people involvement.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Draft Prospectus, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factor" beginning on page 20 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Company's results of operations and financial performance;
- Performance of Company's competitors,
- Trained manpower.
- Significant developments in India's economic and fiscal policies;

- Significant developments in India's environmental regulations.
- Volatility in the Indian and global capital market;

## DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for years ended March 31, 2016, 2015, 2014, 2013 and 2012.

### Overview of Revenue & Expenditure

#### Revenues

Our Company's revenue is primarily generated from Sales of services:-

- Domestic Sale
- Export Sale.

(Rs. In Lacs)

Particulars	As at March 31				
	2016	2015	2014	2013	2012
<b>Income</b>					
Revenue from Operations	1,241.35	925.14	520.62	315.56	186.84
Increase/Decrease in %	34.18%	77.70%	64.98%	68.89%	NA
Other Income	3.53	0.84	7.04	0.12	0.05
Increase/Decrease in %	320.24%	(88.07)%	5766.67%	140.00%	NA
<b>Total Revenue</b>	<b>1,244.88</b>	<b>925.98</b>	<b>527.66</b>	<b>315.68</b>	<b>186.89</b>

The following is the Income mix in terms of value of total income of our Company for different services.

(Rs. In Lacs)

Particulars	As at March 31				
	2016	2015	2014	2013	2012
<b>Revenue from Operation</b>					
<b>Sales of Services-</b>					
Domestic Services	156.98	327.97	335.23	221.80	151.21
Export Services	1,084.37	597.17	185.39	93.76	35.63
<b>Total Revenue from Operation</b>	<b>1,241.35</b>	<b>925.14</b>	<b>520.62</b>	<b>315.56</b>	<b>186.84</b>

The following is the Income mix in terms of percentage of total income of our Company for different services.

Particulars	As at March 31				
	2016	2015	2014	2013	2012
<b>Revenue from Operation</b>					
<b>Sales of Services-</b>					
Domestic Services	12.65%	35.45%	64.39%	70.29%	80.93%
Export Services	87.35%	64.55%	35.61%	29.71%	19.07%
<b>Total Revenue from Operation</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Other operating revenue consists of Interest and miscellaneous income.

(Rs. In Lacs)

Particulars	As at March 31				
	2016	2015	2014	2013	2012
Interest	-	-	6.87	-	-
Miscellaneous income	3.53	0.84	0.17	0.12	0.06
<b>Total Other Income</b>	<b>3.53</b>	<b>0.84</b>	<b>7.04</b>	<b>0.12</b>	<b>0.06</b>

The following is the other income mix in terms of percentage of other income of our Company for other incomes:

Particulars	As at March 31				
	2016	2015	2014	2013	2012
Interest	0.00%	0.00%	97.59%	0.00%	0.00%
Miscellaneous income	100.00%	100.00%	2.41%	100.00%	100.00%
<b>Total Other Income</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

#### **Trade Receivables**

The following table presents the details of our Company's trade receivables:

Particulars	As at March 31				
	2016	2015	2014	2013	2012
<b>Unsecured and Considered Good</b>					
Outstanding for a period not exceeding six months	26.31	18.71	66.79	52.55	22.64
As a % of total Trade receivables	46.01%	34.21%	72.74%	84.09%	85.63%
Outstanding for a period exceeding six months	30.87	35.98	25.03	9.94	3.8
As a % of total Trade receivables	53.99%	65.79%	27.26%	15.91%	14.37%
Less: Provision for doubtful debts	Nil	Nil	Nil	Nil	Nil
As a % of total Trade receivables	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total –Trade receivables</b>	<b>57.18</b>	<b>54.69</b>	<b>91.82</b>	<b>62.49</b>	<b>26.44</b>
Avg. Trade receivables	55.94	73.26	77.16	44.47	NA
Trade receivables Turnover Ratio	21.71	16.92	5.67	5.05	7.07
Average Collection Period ( in days)	16.81	21.58	64.37	72.28	51.65

#### **Expenditure**

Our Company's operating expenditure consists of following:-

- Employees benefit expenses, Finance cost, Depreciation and other expenses.

## RESULTS OF OPERATIONS

### Statement of profits and losses

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue.

(Rs. In Lakhs)

Particulars	For The Year Ended March 31,				
	2016	2015	2014	2013	2012
<b>INCOME</b>					
Revenue from Operations					
Revenue	1,241.35	925.14	520.62	315.56	186.84
Increase/Decrease in %	34.18%	77.70%	64.98%	68.89%	NA
Other Income	3.53	0.84	7.04	0.12	0.06
Increase/Decrease in %	320.24%	(88.07)%	5,766.67%	100.00%	NA
<b>Total Revenue</b>	<b>1,244.88</b>	<b>925.98</b>	<b>527.66</b>	<b>315.68</b>	<b>186.90</b>
<b>EXPENDITURE</b>					
Employee benefit expenses	1,061.74	724.81	413.99	242.32	140.17
As a % of Total Revenue	85.29%	78.27%	78.46%	76.76%	75.00%
Finance costs	14.22	7.82	2.40	12.00	9.25
As a % of Total Revenue	1.14%	0.84%	0.45%	3.80%	4.95%
Depreciation and amortization expense	29.15	10.98	4.87	3.52	2.98
As a % of Total Revenue	2.34%	1.19%	0.92%	1.12%	1.59%
Other expenses	84.23	147.53	64.46	48.77	23.56
As a % of Total Revenue	6.77%	15.93%	12.22%	15.45%	12.61%
<b>Total Expenditure</b>	<b>1,189.34</b>	<b>891.14</b>	<b>485.72</b>	<b>306.61</b>	<b>175.96</b>
As a % of Total Revenue	95.54%	96.24%	92.05%	97.13%	94.15%
<b>Profit before prior period items</b>	<b>55.54</b>	<b>34.84</b>	<b>41.94</b>	<b>9.07</b>	<b>10.94</b>
Exceptional Items	0.00	0.00	0.00	0.00	0.00
Depreciation written back	0.00	0.00	0.00	0.00	0.00
Profit on sale of Assets	0.00	0.00	0.09	0.00	0.00
<b>Extraordinary Items</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Profit before tax</b>	<b>55.54</b>	<b>34.84</b>	<b>41.94</b>	<b>9.07</b>	<b>10.94</b>
<b>PBT Margin</b>	<b>4.47%</b>	<b>3.77%</b>	<b>8.06%</b>	<b>2.87%</b>	<b>5.86%</b>
<b>Tax expense :</b>					
(i) Current tax Provision	22.46	7.67	10.13	2.13	2.93
(ii) Deferred Tax Provision/(Assets)	(5.30)	3.10	3.88	0.67	0.45
<b>Total</b>	<b>17.16</b>	<b>10.77</b>	<b>14.01</b>	<b>2.80</b>	<b>3.38</b>
As a % of Total Revenue	1.38%	1.16%	2.66%	0.89%	1.81%
<b>Profit for the year</b>	<b>38.38</b>	<b>24.07</b>	<b>27.93</b>	<b>6.27</b>	<b>7.56</b>
<b>PAT Margin</b>	<b>3.09%</b>	<b>2.60%</b>	<b>5.36%</b>	<b>1.99%</b>	<b>4.05%</b>

## FISCAL YEAR ENDED MARCH 31, 2016 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2015

### **Income**

Total revenue increased to Rs. 1,244.88 Lacs or 34.43% from Rs. 925.98 lacs in the fiscal year ended March 31, 2016. The revenue has increased due to increase in sales of export services from Company.

### **Expenditure**

Total Expenditure increased by Rs. 298.20 Lacs, or 33.46%, from Rs. 891.14 Lacs in the fiscal year ended March 31, 2015 to Rs. 1,189.34 Lacs in the fiscal year ended March 31, 2016. Overall expenditure has increased mainly due to increase in Employee Benefits Expenses, finance costs, depreciation and amortization expenses which are directly linked to our operations.

### **Finance Costs**

Finance Costs in terms of value and percentage increased by Rs. 6.40 Lacs and 81.84%, from Rs. 7.82 Lacs in the fiscal year ended March 31, 2015 to Rs. 14.22 Lacs in the fiscal year ended March 31, 2016. Overall finance cost has increased mainly due to increase in Bank Interest on overdraft utilization facility.

### **Employee Benefit Expenses**

Employee benefit expenses in terms of value and percentage increased by Rs. 336.93 Lacs and 46.48% from Rs. 724.81 Lacs in the fiscal year ended March 31, 2015 to Rs. 1,061.74 Lacs in the fiscal year ended March 31, 2016. Overall employee cost has increased mainly due to increase in salary to staff, corresponding increase in Employee Provident Fund. The number of personnel employed also increased during the year on account of higher operations.

### **Depreciation & Amortization**

Depreciation in terms of value increased by Rs. 18.17 Lacs or 165.48% from Rs 10.98 Lacs in the fiscal year ended March 31, 2015 to Rs. 29.15 Lacs in the fiscal year ended March 31, 2016. Increase in Depreciation was due to additions to fixed assets and change of method of deprecation as per Companies Act 2013.

### **Other Expenses**

Other Expenses in terms of value and percentage decreased by Rs. 63.30 Lacs and 42.90%, from Rs. 147.53 Lacs in the fiscal year ended March 31, 2015 to Rs. 84.23 Lacs in the fiscal year ended March 31, 2016. Other expenses decreased mainly due to decrease in Commission and Brokerage charges, Professional & Technical expenses and Misc. Expenses.

### **Net Profit after Tax and Extraordinary items**

Net Profit has increased by Rs. 14.31 Lacs and 59.45% from profit of Rs. 24.07 Lacs in the fiscal year ended March 31, 2015 to profit of Rs. 38.38 Lacs in the fiscal year ended March 31, 2016. Net profit has increased due to increase in revenue from Operations.

## FISCAL YEAR ENDED MARCH 31, 2015 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2014

### **Income**

Total revenue increased by Rs. 398.32 Lacs or 75.49%, from Rs. 527.66 Lacs in the fiscal year ended March 31, 2014 to Rs. 925.98 Lacs in the fiscal year ended March 31, 2015. The revenue has increased due to increase in Sale of Export Services.

### **Expenditure**

Total Expenditure increased by Rs. 405.42 Lacs, or 83.47%, from Rs. 485.72 Lacs in the fiscal year ended March 31, 2014 to Rs. 891.14 Lacs in the fiscal year ended March 31, 2015. Overall expenditure has increased mainly due to increase in employee benefit expenses, Finance Cost & Depreciation.

### **Employee Benefit Expenses**

Employee benefit expenses in terms of value and percentage increased by Rs. 310.82 Lacs and 75.08% from Rs. 413.99 Lacs in the fiscal year ended March 31, 2014 to Rs. 724.81 Lacs in the fiscal year ended March 31, 2015. Overall employee cost has increased mainly due to increase in no. of staff, general increments & Employers contribution to Provident Fund.

### **Finance Costs**

Finance Costs in terms of value and percentage increased by Rs. 5.42 Lacs and 255.83%, from Rs. 2.40 Lacs in the fiscal year ended March 31, 2014 to Rs. 7.82 Lacs in the fiscal year ended March 31, 2015. Overall finance cost has increased mainly due to outflow on account of Interest paid on Statutory payments.

### **Depreciation & Amortization**

Depreciation in terms of value increased by 6.11 Lacs or 125.46% from Rs 4.87 Lacs in the fiscal year ended March 31, 2014 to Rs. 10.98 Lacs in the fiscal year ended March 31, 2015. Overall Depreciation has increased mainly due to increase in Depreciation on intangible Assets.

### **Other Expenses**

Other Expenses in terms of value and percentage increased by Rs. 83.07 Lacs and 128.87%, from Rs. 64.46 Lacs in the fiscal year ended March 31, 2014 to Rs. 147.53 Lacs in the fiscal year ended March 31, 2015. Other expenses increased mainly due to increase in Commission and Brokerage charges, Professional & Technical expenses and Misc. Expenses.

### **Net Profit after Tax and Extraordinary items**

Net Profit has decreased by Rs. 3.86 Lacs and 13.82% from Rs. 27.93 Lacs in the fiscal year ended March 31, 2014 to Rs. 24.07 Lacs in the fiscal year ended March 31, 2015. Net profit has decreased due to increase in overdraft expenditure incurred by Company.

## **FISCAL YEAR ENDED MARCH 31, 2014 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2013**

### **Income**

Total revenue increased by Rs. 211.98 Lacs or 67.15%, from Rs. 315.68 Lacs in the fiscal year ended March 31, 2013 to Rs. 527.66 Lacs in the fiscal year ended March 31, 2014. The revenue has increased due to increase in sales of both domestic & export services.

### **Expenditure**

Total Expenditure increased by Rs. 179.11 Lacs, or 58.42%, from Rs. 306.61 Lacs in the fiscal year ended March 31, 2013 to Rs. 485.72 Lacs in the fiscal year ended March 31, 2014. Overall expenditure has increased mainly due to increase in employee benefit expenses and other expenses.

### **Finance Costs**

Finance Costs in terms of value and percentage decreased by Rs. 9.60 Lacs and 80.00%, from Rs. 12.00 Lacs in the fiscal year ended March 31, 2013 to Rs. 2.40 Lacs in the fiscal year ended March 31, 2014. Overall finance cost has decreased mainly due to decrease in bank interest expenses.

### **Employee Benefit Expenses**

Employee benefit expenses in terms of value and percentage increased by Rs. 171.67 Lacs and 70.84% from Rs. 242.32 Lacs in the fiscal year ended March 31, 2013 to Rs. 413.99 Lacs in the fiscal year ended March 31, 2014. Overall employee cost has increased mainly due to increase in no. of staff being employed, general increments and Employers contribution to Provident funds.

## Depreciation & Amortization

Depreciation in terms of value increased by 1.35 Lacs or 38.35% from Rs 3.52 Lacs in the fiscal year ended March 31, 2013 to Rs. 4.87 Lakh in the fiscal year ended March 31, 2014. Increase in Depreciation & Amortization was due to increase in depreciations on account of addition to fixed assets.

## Other Expenses

Other Expenses in terms of value and percentage increased by Rs. 15.69 Lacs and 32.17%, from Rs. 48.77 Lacs in the fiscal year ended March 31, 2013 to Rs. 64.46 Lacs in the fiscal year ended March 31, 2014. Other expenses increased mainly due to increase in Training expenses and other misc. expenses.

## Net Profit after Tax and Extraordinary items

Net Profit has increased by 21.66 Lacs and 345.45% from Rs. 6.27 Lacs in the fiscal year ended March 31, 2013 to Rs. 27.93 Lacs in the fiscal year ended March 31, 2014. Net profit has been increased due to increase in revenue from operations.

## OTHER MATTERS

### 1. Unusual or infrequent events or transactions

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

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

Other than as described in the section titled “*Risk Factors*” beginning on page 20 of this Draft Prospectus respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the section titled “*Risk Factors*” beginning on page 20 of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### 4. Future relationship between Costs and Income

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and availability of trained manpower.

### 5. The extent to which material increases in net revenue are due to increase in sale of both domestic and export services.

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

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

The Company is operating in Human Resources Industry. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 97 of this Draft Prospectus.

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

Our Company has not announced any new product and segment / scheme, other than through this Draft Prospectus.

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

Our Company business is not seasonal in nature.

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

Our business is not significantly dependent on any suppliers or customers.

**10. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “Our Business” on page 103 of this Draft Prospectus.



**SECTION VI – LEGAL AND OTHER INFORMATION**

**OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

*Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by the Company, its Directors, its Promoters and its Group Companies and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by the Company, default in creation of full security as per terms of issue/other liabilities, no amounts owed to small scale undertakings or any other creditor exceeding Rs. 1 lakh, which is outstanding for more than 30 days, no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under Schedule V to the Companies Act, 2013) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against the Company, its Promoters its Directors and Group Companies.*

*Further, except as stated herein, there are no past cases in which penalties have been imposed on the Company, its Promoters its Directors or its Group Companies, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of the Company. Further, there are no cases of litigation, defaults etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.*

*Further, apart from those as stated below, there are no show-cause notices / claims served on the Company, its Promoters its Directors or its Group Companies from any statutory authority / revenue authority that would have a material adverse effect on our business.*

**I. LITIGATION RELATING TO THE COMPANY**

**Case Filed Against Our Company**

Nil

**Cases Filed By the Company**

Nil

**Tax Proceedings involving our Company:**

- Our Company has received the Income Tax Assessment order dated March 14, 2016 for A.Y. 2013-14 in which the Assessing Officer has disallowed the expenses of Rs. 6,42,881 resulting into additional tax liability of Rs. 1,98,650 for which the Company has decided not to go for an appeal and pay the additional tax liability. Further notice U/s 274 read with Section 271(1) (c) of the Income Tax act, 1961 has been issued by the department regarding penalty for non-disclosure. The company has filed its reply dated April 30, 2016 and decision is awaited.
- The Company has received service tax notice dated February 16, 2016 for default of Rs. 6,62,362 for the period April 2014 to March 2015 against which the Company has filed reply on February 25, 2016.

**II. LITIGATIONS RELATING TO THE PROMOTERS OF OUR COMPANY**

**Cases filed by Our Promoters**

Nil

**Cases filed against our Promoters**

Nil

**Cases pending with Tax Authorities**

Nil

**III. LITIGATIONS RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF THE COMPANY**

**Cases filed against the Directors**

Nil

**Cases filed by the Directors**

Nil

**IV. PAST CASES IN WHICH PENALTIES HAVE BEEN IMPOSED ON THE COMPANY**

There are no cases in the last five years in which penalties have been imposed on the Company.

**V. CREDITORS OF THE COMPANY FOR THE AMOUNT EXCEEDING RS.1 LAKH OUTSTANDING FOR MORE THAN 30 DAYS.**

The Company has total 3 creditors for the amount exceeding Rs. 1 Lakh as on March 31, 2016 for the total amount of Rs. 9,42,876/- which is outstanding for more than 30 days.

**MATERIAL DEVELOPMENTS**

Except as stated in the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 184 of this Draft Prospectus, no material developments have taken place after March 31, 2016, the date of the latest balance sheet, that would materially adversely affect the performance of the Company. In accordance with SEBI requirements, our Company and the Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the NSE EMERGE Platform.

We certify that except as stated herein above:

- a. There are no pending proceedings for offences for non-payment of statutory dues by the promoters of the Company.
- b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoters / Directors in their personal capacity.
- g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
- h. Following are the creditors as on March 31, 2016 to whom Company owes sum exceeding Rs. 1,00,000 and are outstanding for more than 30 days as certified by the management of Our Company.

Sr. No.	List of Creditors	Amount (in Rs.)
1.	Penna PLC	4,17,051
2.	XRG Consulting Pvt. Ltd.	3,00,633
3.	Clientcurve Infosystems Pvt. Ltd.	2,25,192
	<b>Total</b>	<b>9,42,876</b>

**GOVERNMENT AND OTHER STATUTORY APPROVALS**

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, and no further approvals are required for carrying on our present business or to undertake the Issue. Unless otherwise stated, these approvals are all valid as on the date of this Draft Prospectus.

**I. APPROVALS FOR THE ISSUE**

**Corporate Approvals**

1. Our Board has, pursuant to a resolution passed at its meeting held on March 18, 2016 authorized the Issue.
2. Our shareholders have pursuant to a resolution passed at their meeting dated March 21, 2016 under Section 62(1)(c) of the Companies Act 2013, authorized the Issue.

**Approvals from Lenders**

1. The Company has obtained approval vide letter dated May 11, 2016 from Bank of India, H. No. 3-4-215, R K Complex, Kachiguda Station Road, Hyderabad – 500027

**II. INCORPORATION DETAILS**

1. Corporate Identity Number: U74140TG2005PLC047222
2. Certificate of Incorporation dated August 24, 2005 issued by the Registrar of Companies Hyderabad.
3. Fresh Certificate of Incorporation dated August 06, 2015 issued by the Registrar of Companies Hyderabad consequent upon conversion to public limited company.

**III. APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:


**A. Under Direct and Indirect Laws**

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration in Income Tax Department	Income Tax Department, Govt. of India	PAN:AABCH5948N	Perpetual	-
2.	Allotment of Tax Deduction Account Number (TAN)	Income Tax Department, Govt. of India	TAN:HYDH01416C	Perpetual	-
3.	Registration for Service Tax	Superintendent Service Tax Cell Customs and Central Excise, Hyderabad	Service Tax Registration: AABCH5948NST001	Perpetual	Taxable Service: Manpower Recruitment Agency
4.	Registration Under Andhra State Pradesh Tax on Professions, Trades, Callings and Employment Act, 1987	DY. Commercial Tax Officer	BGT/03/1/BP/PT/RE GN/810/2006-2007	Perpetual	-

## B. Under Industrial And Labour Law

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Andhra Pradesh Shops and Establishment Act 1988	Labour Department, ACL-II, Hyderabad	Registration Number.- LO2/HYD/105/2006	January 2016- December 2016	-
2.	Registration under Employees' State Insurance Act, 1948	Assistant Director, Regional Office, E.S.I Corporation, Hyderabad	Code No.- 52-27198-101	Perpetual	-
3.	Registration under Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Office of the Regional Provident Fund Commissioner, Hyderabad.	Code No.- AP/HY/53892/Enf/C-II/T7/2006/4131	Perpetual	-
4.	Ministry of Micro, Small and Medium Enterprises	General Manager, Dist. Industries Centre, Musheerabad, Hyderabad	UdyogAadhaar Number- TS02E0000999	Perpetual	-

## INTELLECTUAL PROPERTY

Our Company had not made any application for registration of our Logo  under the Trademarks Act, 1999. In case of no registration, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks, further we have received the registration certificate for our Word-marks in below class under the Trade Marks Act, 1999.

Sr. No.	Word Mark	Date of Approval	Application No.	Class	Current Status
1.	Husys	October 31, 2008	1518935	42	Registered
2.	Mission HR	March 16, 2009	1518933	41	Registered

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on March 18, 2016 and by the shareholders of our Company by a special resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013, passed at the Extra Ordinary General Meeting of our Company held on March 21, 2016 at registered office of the Company.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Directors and our Promoter Group, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

The Companies with which our Promoter, our Directors or persons in control of our Company are/ were associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

### PROHIBITION BY RBI

Neither our Company, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoters or Group Company have been identified as willful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

### ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in terms of Regulation 106M(1) of chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed Rs. 1,000 Lakhs, may issue shares to the public in accordance with the provisions of Chapter XB of the SEBI (ICDR) Regulations, 2009. Our Company also complies with the eligibility conditions laid by the NSE EMERGE Platform for listing of our Equity Shares.

#### **We confirm that:**

1. In accordance with regulation 106(P) of the SEBI ICDR Regulations, this Issue is 100% underwritten and that the LM has underwritten at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 49 of this Draft Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the 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, than 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 u/s 40 of the Companies Act, 2013
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Draft 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.

4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled “General Information” beginning on page 49 of this Draft Prospectus.
5. The Company has Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results.
6. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 1 crore as per the latest audited financial results. Net worth of the Company as on March 31, 2016 is Rs. 2.45 crores.
7. The Post-issue paid up capital of the Company shall be at least Rs. 1 Crore. The paid up capital shall be Rs. 2.28 Crores after the issue.
8. The Company shall mandatorily facilitate trading in demat securities and has entered in to an agreement with both the depositories.
9. The Company has not been referred to Board for Industrial and Financial Reconstruction.
10. No petition for winding up is admitted by a court of competent jurisdiction or a liquidator has been appointed against the Company.
11. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
12. The Company has a website: [www.husys.net](http://www.husys.net)
13. There has been no change in the Promoter(s) of the Company in the preceding one year from the date of filing application to NSE EMERGE Platform.

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 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.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, SARTHI CAPITAL ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. 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 DRAFT PROSPECTUS, THE LEAD MANAGER, SARTHI CAPITAL 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 MANAGER, SARTHI CAPITAL ADVISORS**

PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MAY 25, 2016 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992.

“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT 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 DRAFT 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 DRAFT 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, APPLICABLE PROVISIONS OF COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT 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 PROMOTER’S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT 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 PROMOTER'S 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 PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN PUBLIC ISSUE 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 73 OF THE COMPANIES ACT, 1956\* AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT 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, SUBJECT TO COMPLIANCE WITH REGULATION 56 OF THE SEBI REGULATIONS
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.– NOT APPLICABLE\*\*
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE 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 THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER’S EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT 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 (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE - A”
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.”

*\*Section 40(3) of the Companies Act, 2013 has been notified by the Ministry of Corporate Affairs, Government of India.*

*\*\*Section 29 of the Companies Act, 2013 provides inter alia that every company making public offers shall issue securities only in dematerialised form by complying with the provisions of the Depositories Act, 1996 and the regulations made thereunder.*

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT 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 FOR COMPLIANCE.
- (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 OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS.

**(6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

**Note:**

The filing of this Draft Prospectus does not, however, absolve our Company from any liabilities under section 34, section 35, section 36 OR section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead manager any irregularities or lapses in this Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the Registrar of Companies, Hyderabad, in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.husys.net](http://www.husys.net) would be doing so at his or her own risk.

**Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company dated April 19, 2016, the Underwriting Agreement dated April 19, 2016 entered into among the Underwriter and our Company and the Market Making Agreement dated April 19, 2016 entered into among the Market Maker, Lead Manager and our Company.

Our Company and the Lead Manager shall make all information available 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, etc.

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**

**PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by the SEBI, please refer to 'Annexure A' to this Draft Prospectus and the website of the Lead Manager at [www.sarthiwm.in](http://www.sarthiwm.in)

**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 not minors, 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 applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial

institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Hyderabad only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with NSE for its observations and NSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## DISCLAIMER CLAUSE OF THE NSE EMERGE PLATFORM

As required, a copy of this Draft Prospectus shall be submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to the RoC filing.

## FILING

This Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in term of Regulation 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the SEBI Southern Local Office, 1<sup>st</sup>Floor, Indira Chambers, 8-2-622/5/A/1, Road No. 10, Avenue 4, Banjara Hills, Hyderabad – 500034, Andhra Pradesh. A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC situated at 2<sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattianaram Nagole, Bandlaguda, Hyderabad - 500 068, Andhra Pradesh.

## LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in- principle approval from NSE EMERGE Platform. However application will be made to the NSE EMERGE Platform for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The NSE EMERGE Platform has given its in-principal approval for using its name in our Draft Prospectus vide its letter dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE EMERGE Platform, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes

liable to repay it (i.e. from the date of refusal or within 15 days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE Platform mentioned above are taken within Six Working Days from the Issue Closing Date.

## CONSENTS

Consents in writing of: (a) the Directors, the Promoter, the Company Secretary and Compliance Officer, Chief Financial Officer, the Statutory Auditor, Peer Review Auditor, Secretarial Auditor, the Banker to the Company,; and (b) Lead manager, Underwriter, Market Make, Registrar to the Issue, Banker(s) 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 Section 26 of Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Prospectus with NSE.

## EXPERT TO THE ISSUE

Except as stated below, our Company has not obtained any expert opinions:

1. Report of the Statutory Auditor on Statement of Tax Benefits.

## EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, see the chapter "Objects of the Issue" beginning on page 82 of this Draft Prospectus.

## DETAILS OF FEES PAYABLE

### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Manager will be as per the Mandate Letter dated February 18, 2016, issued by our Company to the Lead Manager, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated April 19, 2016, a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of 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 Advertiser, *etc.* will be as per the terms of their respective engagement letters.

## UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

## PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE YEARS

Our Company is listed on Emerge Institutional Trading Platform (ITP) of NSE. We have applied for delisting from Emerge Institutional Trading Platform of NSE vide letter dated April 25, 2016 and shall be delisted with effect from June 09, 2016 vide letter no. NSE/LIST/73566 dated May 19, 2016. This Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

## PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page 57 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

## PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956/ SECTION 186 OF COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:

There are no other companies under the same management.

## PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is listed on Emerge Institutional Trading Platform (ITP) of NSE. We has applied for delisting from Emerge Institutional Trading Platform of NSE vide letter dated April 25, 2016 and shall be delisted with effect from June 09, 2016 vide letter no. NSE/LIST/73566 dated May 19, 2016.

## OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

## STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company’s shares are listed on Emerge Institutional Trading Platform of NSE since August 21, 2015 under symbol ‘HUSYS’ and has applied for delisting vide letter dated April 25, 2016. The high and low closing prices recorded on NSE since listing and the number of shares traded on the days the high and low prices were recorded are stated below:

Date	Series	Prev Close (Rs.)	Open Price (Rs.)	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	Average Price (Rs.)	Total Traded Quantity	Turnover (Rs. in Lacs)
May 09, 2016	IT	70.00	70.00	70.00	70.00	70.00	70.00	14,500	10.15
April 05, 2016	IT	70.00	70.00	70.00	70.00	70.00	70.00	14,500	10.15
April 01, 2016	IT	70.00	70.00	70.00	70.00	70.00	70.00	14,500	10.15
March 31, 2016	IT	70.00	70.00	70.00	70.00	70.00	70.00	14,500	10.15

March 28, 2016	IT	50.00	70.00	70.00	70.00	70.00	70.00	14,500	10.15
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#### MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

#### DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationships Committee of the Board *vide* resolution passed at the Board Meeting held on August 06, 2015. For further details, please refer to the chapter titled “*Our Management*” beginning on page 121 of this Draft Prospectus.

Our Company has appointed Ms. Harshita Jain as the Company Secretary and Compliance Officer and she may be contacted at the following address:

#### **HUSYS CONSULTING LIMITED**

1-8-505/D/E/A, HusysHouse,

Prakash Nagar Extension, Begumpet,

Hyderabad- 500016, Telengana.

**Tel:** +91- 40 6519 5632

**Email:** corp.affairs@husys.net

**Website:** www.husys.net

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

#### CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

There have been no changes in the statutory auditors of our Company in the last three financial years, except that M/s. JBRK & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company in place of the existing Statutory Auditors M/s. Chandan & Ranjith, Chartered Accountants w.e.f. November 28, 2015, who had resigned as the Statutory Auditors.

#### CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 57 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

## REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

## PURCHASE OF PROPERTY

Other than as disclosed in this Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Prospectus.

Except as stated elsewhere in this Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made thereunder.

## SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

**SECTION VII – ISSUE INFORMATION****TERMS OF THE ISSUE**

*The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Draft Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE EMERGE Platform, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.*

**RANKING OF EQUITY SHARES**

The Equity Shares being offered shall be subject to the provisions of the Companies Act, 2013, 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 229 of this Draft Prospectus.

**MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please refer to the chapter titled 'Dividend Policy' on page 142 of this Draft Prospectus.

**FACE VALUE AND ISSUE PRICE**

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Draft Prospectus at the price of Rs. 86/-per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled 'Basis for Issue Price' beginning on page 87 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

**RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, 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 annual reports and notices to members;
- 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 and the Memorandum and Articles of Association of the Company.

**MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

As per the provisions of the Depositories Act, the shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of 1,600 Equity



Shares and the same may be modified by the NSE EMERGE Platform 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 1,600 Equity Shares subject to a minimum allotment of 1,600 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 all the monies blocked by 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.

## MINIMUM SUBSCRIPTION

In the event our Company does not receive a minimum subscription of 100% of the Issue, subject to the Issue being made for at least 25% of the post-Issue paid up Indian Equity Share capital of our Company, in accordance with Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, including devolvement to the Underwriters within 60 days from the Issue Closing Date, we shall forthwith refund the entire subscription amount received not later than 70 days from the Issue Closing Date. If there is a delay beyond eight days after the expiry of 70 days from the Issue Closing Date, the Directors of our Company who are officers in default shall jointly and severally be liable to repay the money with such interest as prescriber under section 39(3) of the Companies Act, 2013 and Companies (Prospectus and Allotment of Securities) Rules, 2014. Further Section 39(5) states that in case of default under section 39(3), the Company and its officers who are in default shall be liable to a penalty of Rs.1,000/- for each day during which the default continues or Rs. 100,000/- whichever is less.

Additionally, section 40(3) of the Companies Act, 2013 requires application money to be refunded in the event of failure to Allot Equity Shares for any other reason. If a default is made in complying with the provisions of this section the Company shall be punishable with a fine which shall not be less than Rs. 500,000/- but which may extend to Rs. 5,000,000/- and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 300,000 or with both.

#### **MIGRATION TO MAIN BOARD**

Our company may migrate to the main board of NSE from the EMERGE Exchange at a later date subject to the following:

- a) If the Paid up Capital of our 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 promoters shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of our company is more than 10 crores but below Rs. 25 crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoters shareholders against the proposal.

#### **MARKET MAKING**

The shares offered through this issue are proposed to be listed on the NSE EMERGE Platform (SME Exchange) wherein the Lead Manager to the issue shall ensure compulsory Market Making through registered Market Makers of the SME Exchange for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus. For further details of the Market Making arrangement see chapter titled “General Information” beginning on page 49 of this Draft Prospectus.

#### **RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the pre-Issue Equity Shares and Promoter’s minimum contribution as detailed in chapter titled “Capital Structure” beginning on page 57 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to the section “Main Provisions of the Articles of Association” beginning on page 229 of this Draft Prospectus.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 1600 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE EMERGE Platform.

#### **ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM**

Our Company shall issue shares only in dematerialized form. Investors making application in dematerialized form may get the specified securities rematerialized subsequent to allotment.

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 Hyderabad, India.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India 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 less than Rs. 10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ('SME Exchange', in this case being the NSE EMERGE Platform). For further details regarding the salient features and terms of such an Issue please refer to the chapters titled 'Terms of the Issue' and 'Issue Procedure' beginning on page 207 and 213 of this Draft Prospectus.

### FOLLOWING IS THE ISSUE STRUCTURE:

Public Issue of 6,08,000 Equity shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. 86/- per Equity Share aggregating Rs. 522.88 Lakhs ('the Issue') by our Company.

The Issue comprises a Net Issue to Public of 5,76,000 Equity Shares ('the Net Issue') and a reservation of 32,000 Equity Shares for subscription by the designated Market Maker ('the Market Maker Reservation Portion').

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	5,76,000 Equity Shares	32,000 Equity Shares
Percentage of Issue Size available for allocation	94.74% of the Issue size	5.26% of the Issue size
Basis of Allotment	Proportionate subject to minimum allotment of 1,600 Equity Shares and further allotment in multiples of 1,600 Equity Shares each. For further details please refer to the "Basis of Allotment" on page 219 of this Draft Prospectus.	Firm Allotment
Mode of Application	All Applicants must compulsorily apply through the ASBA Process (online or the Physical Form)	Through ASBA Process Only
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 1,600 Equity Shares such that the Application Value exceeds Rs. 2,00,000/- For Retail Individuals: 1,600 Equity Shares	32,000 Equity Shares
Maximum Application Size	For QIB and NII: Such number of equity shares in multiples of 1,600 Equity Shares such that the Application Size does not exceed 5,76,000 Equity Shares. For Retail Individuals: 1,600 Equity Shares	Application size shall be 32,000 equity shares since there is a firm allotment
Mode of Allotment	Dematerialized Form	Dematerialized Form

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Trading Lot	1,600 Equity Shares	1,600 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

\*50% of the shares offered are reserved for applications below Rs. 2 lakhs and the balance for higher amount applications.

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue closing date when applications will be accepted only between 10.00 a.m. to 2.00 p.m

Standardization of cut-off time for uploading of applications on the issue closing date:

- (a) A standard cut-off time of 3.00 PM for acceptance of applications.
- (b) A standard cut-off time of 4.00 PM for uploading of applications received from non-retail applicants i.e. QIBs, HNI sand employees (if any).
- (c) A standard cut-off time of 5.00 PM for uploading of applications received from only retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by LMs to the Exchange within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

### FIXED PRICE ISSUE PROCEDURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to an Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

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.

As per the provisions Section 29 of the Companies Act, 2013, the Allotment of Equity Shares in the Issue shall be only in a de-materialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).The Equity Shares on Allotment shall, however, be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### APPLICATION FORM

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus.

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.

The prescribed color of the Application Form for various categories is as follows:

Category	Color of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs applying on a repatriation basis	Blue

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

### 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;
- 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;

- 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);
- 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;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional applicants category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- 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;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- 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;
- Insurance funds set up and managed by army, navy or air force of the Union of India

As per the existing regulations, OCBs cannot participate in this Issue.

## **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 Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

## **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and The Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com).

## **OPTION TO SUBSCRIBE IN THE ISSUE**

- a) Investors will get the allotment of Equity Shares in dematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) A single Application Form from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

## **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON REPATRIATION**

Application must be made only in the names of individuals, limited companies or Statutory Corporations/institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu undivided families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

## **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

**No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.**

**In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.**

## **APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS**

Application Forms have been made available for Eligible NRIs at our Company's registered Office and at the office of Lead Manager to the Issue. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and should not use the forms meant for the reserved category. Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis. Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws. The Company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

## **AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FIIS:**

- The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital of the Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that



effect by its shareholders in their general meeting. As on the date of this Draft Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.

- Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ('SEBI FII Regulations'), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the LM that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

## APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment Funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

## APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

## APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (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 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
- (c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors on 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 Rs. 2,500 Lakhs, 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, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and 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 Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the 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 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 Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## MAXIMUM AND MINIMUM APPLICATION SIZE

### a) For Retail Individual Applicants

The Application must be for a minimum of 1,600 Equity Shares. As the Application Price payable by the Applicant cannot exceed Rs. 2,00,000/-, they can make Application for only minimum Application size i.e. for 1,600 Equity Shares.

### 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. 2,00,000/- and in multiples of 1,600 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 Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB 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 Draft Prospectus.**

## INFORMATION FOR THE APPLICANTS

- a) Our Company will file the Prospectus with the Registrar of Companies, Hyderabad least 3 (three) days before the Issue Opening Date.
- b) 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 Office or from the office of the LM.
- c) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- d) 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. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com).

## 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'). Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / 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.

## BASIS OF ALLOTMENT

Allotment will be made in consultation with the NSE EMERGE Platform (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 1,600 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 1,600 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 1,600 equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 1,600 equity shares subject to a minimum allotment of 1,600 equity shares.
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 nearest multiple of 1,600 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 Draft 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) As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - b) The balance net offer of shares to the public shall be made available for allotment to
    - i. Individual applicants other than retails individual investors and
    - ii. 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.

'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 NSE.

The Executive Director / Managing Director of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## GENERAL INSTRUCTIONS

### *Do's:*

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (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.
- All Applicants should submit their application through ASBA process only.

### *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 postal order or by stock invest;
- Do not send Application Forms by post.
- 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.

## 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 (1<sup>st</sup> 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.

#### **GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the 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 1,600;
- Category not ticked;
- Multiple Applications as defined in this Draft 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 Stockinvest/ 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 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 2.00 pm on the Issue Closing Date;

## IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) 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 Companies Act, 2013 and shall be treated as Fraud.

## SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated April 19, 2016 this issue is 100% Underwritten.

#### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the Registrar of Companies, Hyderabad in terms of Section 26 of 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.

#### **DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into Public Issue Account with the Banker to the Issue. Upon approval of the Basis of Allotment by the designated Stock Exchange, the Registrar to the Issue 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 Share. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensure the credit of shares to the successful Applicant's depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the SCSBs Banks to Public Issue Account on the Designated Date.

#### **PAYMENT OF REFUND**

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager shall intimate Public Issue bank and Public Issue Bank shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary applicants.

**As per 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, NRIs, FIIs and Foreign Venture Capital Funds will be treated on the same basis with other categories for the purpose of allocation.**

#### **DISPOSAL OF APPLICATION AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.



## 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;
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 six working days of closure of the issue;
3. That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time; and
4. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed.

## 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 Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## 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 NSE for listing of Equity Shares offered through this issue on its Emerge Platform, which the Company shall apply for after Allotment and
2. The filing of Prospectus with the concerned 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 LM, 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 thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh prospectus with stock exchange(s).

## EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) We have entered into tripartite agreement between NSDL, the Company and the Registrar to the Issue on August 19, 2015.
- (b) We have entered into tripartite agreement between CDSL, the Company and the Registrar to the Issue on August 06, 2015.

The Company's Equity shares bear an ISIN No. INE336T01010

- 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 has electronic connectivity with CDSL and NSDL.
- The allotment and 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 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.

## ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

**In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the> ASBA facility. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

## ASBA PROCESS

Applicant shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ('ASBA Account') is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTAs or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### Who can apply?

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

### Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, , money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

**Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

## 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 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. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("DIPP") by circular of 2015, with effect from May 12, 2015 ("Circular of 2015"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Circular of 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, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

**The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. However the Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

## SECTION VIII – MAIN PROVISION OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulation, the main provisions of our Articles relating to, inter alia, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each Provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

### SHARE CAPITAL

Article No.	Contents
<b>2.</b>	<p>2.1. The Authorized Share Capital of the Company will be as that specified in Clause V(a) of the Memorandum of Association from time to time in accordance with the regulations of the Company and the legislative provision or the time being in force in this behalf and power to divide the Share Capital into Equity Share Capital or Preference Share Capital and to attach thereto respectively, any preferential, qualified or special rights, privileges or conditions, and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents, provided however that where any Government has made an order under sub-section 4 of Section 62 of the Companies Act, 2013 directing that any debenture issued by the Company or loan taken by the Company or any part thereof shall be converted into shares of the Company and no appeal has been preferred to the Tribunal under sub-section (4) of Section 62 of the Companies Act, 2013, or where such appeal has been dismissed, the memorandum of the Company shall, where such order has the effect of increasing the Authorized Share Capital, stand altered and the Authorized Share Capital of the Company shall stand increased by an amount equal to the amount of the value of the shares into which such debentures or loans or part thereof has been converted.</p> <p>2.2. Subject to the provisions of these Articles, the Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, its Share Capital, any capital redemption reserve account or any share premium account.</p> <p>2.3. The Securities shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned, no security shall be sub-divided. Every forfeited or surrendered security shall continue to bear the number by which the same was originally distinguished.</p> <p>2.4. None of the funds of the Company shall be applied in the purchase of any Securities and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by Section 67 of the Companies Act, 2013 and these Articles.</p>

### INCREASE OF SHARE CAPITAL BY THE COMPANY

Article No.	Contents
<b>3.</b>	<p>3.1. Subject to the provisions of these Articles, the Company at a Shareholders' Meeting may, from time to time, increase the Share Capital by creation of new Equity Shares. Such increase shall be of such aggregate amount and to be divided into Equity Shares of such respective amounts as the resolution shall prescribe.</p> <p>3.2. Subject to the provisions of the Act and the other provisions of these Articles, any</p>

Article No.	Contents
	<p>Equity Share of the original or increased Share Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Shareholders Meeting resolving upon the creation thereof, shall direct and if no direction be given, as the Directors shall determine and in particular, such Equity Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with, and if the Act allows without, a right of voting at a Shareholders' Meeting in conformity with Sections 48 of the Companies Act, 2013. Whenever the Share Capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 64 of the Companies Act, 2013 and these Articles.</p> <p>3.3. Where at any time Company proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the persons who, at the date of the offer, are holders of the 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 fulfillment of following conditions -;</p> <ul style="list-style-type: none"> <li>(a) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen (15) days and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;</li> <li>(b) unless otherwise provided in these Articles, 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 Sub-clause (b) shall contain a statement of this right;</li> <li>(c) 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 of them in such manner which is not disadvantageous to the shareholders and to the Company.</li> </ul> <p>3.4. The Company proposes to increase its subscribed capital by the issue of further shares to employees under a scheme of employee's stock option subject to approval of special resolution passed by the Company and subject to conditions prescribed in Companies (Share Capital and Debentures) Rules, 2014.</p> <p>3.5. Notwithstanding anything contained in Article 3.3 above, the further shares as aforesaid may be offered to any persons (whether or not those persons include the persons referred to in Article 3.3 hereof) 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 prescribed in Companies (Share Capital and Debentures) Rules, 2014</p> <p>3.6. Nothing in Sub-clause (c) of Article 3.3 hereof shall be deemed:</p> <ul style="list-style-type: none"> <li>(a) to extend the time within which the offer should be accepted; or</li> <li>(b) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation</li> </ul> <p>3.7. Nothing in these Articles shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company</p>

Article No.	Contents
	Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

#### BUY-BACK OF SHARES

Article No.	Contents
4.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

#### LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

Article No.	Contents
5.	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 so 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 two (2) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one (1) month of the receipt of application of registration of transfer or transmission, subdivision, 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 which shall be affixed in the presence of two directors or persons acting on behalf of the Directors under duly registered power of attorney and the secretary or some other person appointed by the Board for the purpose and two Directors or their attorney and the Secretary or other person shall sign the share certificate provided that if the composition of the Board so permits, at least one of the aforesaid two Directors shall be a person other than a Managing Director or Whole-time director. Every share certificate shall specify the number and distinctive number 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 and 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 of shares to one or several joint holders shall be a sufficient delivery to all such holders. Particulars of every certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue.

#### NEW CAPITAL SAME AS EXISTING CAPITAL

Article No.	Contents
6.	<p>6.1. Except so far as otherwise provided by the conditions of issue or by these Articles, any Share Capital raised by the creation of new Equity Shares shall be considered as part of the existing Share Capital and shall be subject to the provisions contained in these Articles with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.</p> <p>6.2. The Board shall observe the restriction as to allotment of Equity Shares to the public contained and shall cause to be made the return as to allotment provided for in Sections 39 and</p>



## ACCEPTANCE OF EQUITY SHARES

Article No.	Contents
7.	Any application signed by or on behalf of any applicant for Equity Shares followed by an allotment of any Equity Shares shall be an acceptance of Equity Shares within the meaning of these Articles; and every Person who accepts any Equity Shares and whose name is on the Register of members shall, for the purpose of these Articles, be a shareholder.

## DEPOSIT AND CALL ON EQUITY SHARES

Article No.	Contents
8.	<p>8.1. The money (if any) which the Board shall, on the allotment of any Equity Shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any Equity Shares allotted by them, shall immediately on the inscription of the name of the allottee in the register of members as the holder of such Equity Shares become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by the holder accordingly.</p> <p>8.2. Every shareholder or his heirs, executors or administrators shall pay to the Company the portion 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 shall, from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.</p>

## PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

Article No.	Contents
9.	<p>9.1. The Directors may, if they think fit, subject to the provisions of Section 50 of the Companies Act, 2013. 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, 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.</p> <p>9.2. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.</p>

## SHARES AT THE DISPOSAL OF THE DIRECTORS

Article No.	Contents
10.	<p>Subject to the provisions of Section 62 of the Companies Act, 2013, Companies (Share Capital and Debentures) Rules, 2014 and these Articles, the shares in the capital of the 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 person, in such proportion and on such terms and conditions and either at a premium or at par or at such time as they may from time to time think fit and with 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 for shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.</p>

## PREFERENCE SHARES

Article No.	Contents
11.	<p>11.1. Subject to the provisions of these Articles and Sections 55, 43 and other applicable provisions of the Companies Act, 2013, the Company shall have power to issue preference shares which are, at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption thereof.</p> <p>11.2. Upon the issue of redeemable preference shares under the provisions of Article 10.1, the following provisions shall apply:</p> <ul style="list-style-type: none"> <li>(a) no such preference 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 purpose of the redemption;</li> <li>(b) no such preference shares shall be redeemed unless they are fully paid;</li> <li>(c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's share premium account before the shares are redeemed;</li> <li>(d) where any such preference shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the preference shares redeemed and the provisions of the Act relating to reduction of the share capital of the Company shall, except as provided in Section 55 of the Companies Act, 2013 apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.</li> </ul>

Article No.	Contents
<b>12.</b>	<p>12.1. The certificates of title to Securities and duplicate thereof, when necessary, shall be issued under the Seal of the Company.</p> <p>12.2. Every person holding the Securities of the Company shall be entitled to one certificate for all the Securities registered in his name or, if the Directors so approve, to several certificates each for one or more of such Securities but in respect of each additional certificate, there shall be paid to the Company a fee of Rs. 20/- or such less sum as Directors may determine. Every certificate shall specify the number denoting numbers of the Securities in respect of which it is issued and the amount paid-up thereon. The Directors may, in any case or generally, waive the charging of such fees.</p> <p>12.3. If any certificate be worn out or defaced, then, upon production thereof to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the registered holder of the shares to which such lost or destroyed certificate shall relate; Provided that twenty rupees 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.</p> <p>12.4. Provided that, notwithstanding what is stated above, the Directors shall comply with rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p>

## SHAREHOLDERS AND JOINT HOLDERS

Article No.	Contents
<b>13.</b>	<p>13.1. Except as required by law or ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any Securities upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any benami, equitable, contingent, future or partial interest in any Securities or any interest in any fractional part of a Security (except only by these presents or by law otherwise provided) or any other rights in respect of any Security except in an absolute right to the entirety thereof in the registered holder.</p> <p>13.2. Where two or more persons are registered as holders of any Securities, they shall be deemed to hold the same as joint holders with benefits of survivorship subject to the following and other provisions contained in these Articles:</p> <ul style="list-style-type: none"> <li>(a) Securities may be registered in the name of any Person but not more than four Persons shall be registered jointly as a shareholder in respect of any Equity Shares;</li> <li>(b) the certificates of Securities registered in the names of two or more Persons shall be delivered to the Person first named on the Register;</li> <li>(c) the joint holders of a Security shall be jointly and severally liable to pay all calls in respect thereof;</li> </ul>

	<p>(d) if any Security stands in the names of two or more Persons, the Person first named in the register shall, as regards receipt of share certificates, dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a Security shall be severally as well as jointly be liable for the payment of all installments and calls due in respect of such Security and for all incidents thereof according to the Company's regulations;</p> <p>(e) in the case of the death of any one or more of the Persons named in the register of members as the joint holders of any Security, the survivors shall be the only persons recognised by the Company as having any title to or interest in such Security but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Securities held by him jointly with any other Person;</p> <p>(f) if there be joint registered holders of any Securities, any one of such Persons may vote at any meeting either personally or by proxy in respect of such Securities as if it were solely entitled thereto, provided that if more than one of such joint holders be present at any meeting either personally or by proxy, then one of the said Persons so present whose name stands higher on the register of members shall alone be entitled to vote in respect of such Securities but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased shareholder in whose name the Securities stand shall, for the purpose of these Articles, be deemed joint holders thereof;</p> <p>(g) a document or notice may be served or given by the Company on or to the joint holders of a Security by serving or giving the document or notice on or to the joint holder named first in the register of members in respect of the Security.</p>
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**FORFEITURE AND LIEN**

Article No.	Contents
<b>14.</b>	<p>14.1. If any shareholder fails to pay any call or installment on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such shareholder 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.</p> <p>14.2. The notice shall name a day (not being less than fourteen (14) days from the date of the notice) and a place on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment of at or before the time and at the place appointed, the Securities in respect of which such call was made or installment is payable will be liable to be forfeited.</p> <p>14.3. If the requisition of any such notice as aforesaid be not complied with, any Securities in respect of which such notice has been given may, at any time there-after before payment of all calls or installments, interests, and expenses due in respect thereof, be forfeited by a resolution of the Directors to the effect such forfeiture shall include all dividends declared in respect of the forfeited Securities and not actually paid before the forfeiture.</p> <p>14.4. When any Security shall have been so forfeited, notice of the forfeiture shall be given to</p>

Article No.	Contents
	<p>the shareholder 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 but no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.</p> <p>14.5. Any Security so forfeited shall be deemed to be property of the Company and the Directors may, subject to the provisions of these Articles, sell, re-allot or otherwise dispose of the same in such manner as they think fit.</p> <p>14.6. The Directors may, at any time before any Security so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof on such conditions as they think fit.</p> <p>14.7. Any shareholder whose Securities 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 Securities at the time of the forfeiture together with interest thereon, from the time of forfeiture until payment, at twelve (12) per cent per annum and the Directors may enforce the payment thereof, without any deduction or allowance for the value of the Securities at the time of forfeiture, but shall not be under any obligation to do so.</p> <p>14.8. The forfeiture of Securities shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the Securities and all other rights incidental to the Securities except only such of those rights as, by these Articles, are expressly saved.</p> <p>14.9. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that certain Securities in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Securities and such declaration and the receipt of the Company for the consideration, if any, given for the Securities on the sale or disposal thereof shall constitute a good title to such Securities and the Person to whom the Securities are sold shall be registered as the holder of such Securities and shall not be bound to see to the application of the purchase money nor shall his title to such Securities be affected by any irregularity or invalidity in the proceeding in reference to such forfeiture, sale or disposal.</p> <p>14.10. The Company shall have a first and paramount lien upon all the shares/debentures (not being fully paid-up) registered in the name of each shareholder (whether solely or jointly with others) and upon the proceeds of sale thereof (whether presently payable or not) for money called or payable at a fixed time in respect of such shares/debentures solely or jointly with any other person to the Company whether the period for the payment thereof shall have actually arrived or not and no equitable interest in any Security shall be created except upon the footing and condition that this Article is to have full effect and such lien shall extend to all dividends from time to time declared in respect of such Security. Unless otherwise agreed, the registration of a transfer of Securities shall operate as a waiver of the Company's lien, if any, on such Securities. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.</p> <p>14.11. For the purpose of enforcing such lien, the Directors may sell the Securities subject thereto in such manner as they think fit but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such shareholder, his executors or administrators or his committee, curators bond or other legal</p>

Article No.	Contents
	<p>curator and default shall have been made by him or them in the payment of moneys called in respect of such shares for seven days after such notice.</p> <p>14.12. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and residue, if any, shall (subject to a like lien for sums not presently payable, as existed upon the Securities before the sale) be paid to the person entitled to the shares at the date of the sale.</p> <p>14.13. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Directors may appoint some person to execute an instrument of transfer of the Securities sold and cause the purchaser's name to be entered in the register in respect of the Securities sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money after his name has been entered in the register of members. In respect of such Securities, 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.</p> <p>14.14. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative Securities shall (unless the sale shall, on demand by the Company, have been previously surrendered to it by the defaulting shareholder) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Securities to the Person or Persons entitled thereto distinguishing it or them in such manner as they may think fit from the old certificate or certificates.</p>

#### **TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Article No.	Contents
<b>15.</b>	<p>15.1. The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and the transferee.</p> <p>15.2. The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.</p> <p>15.3. that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;</p> <p>15.4. that a common form of transfer shall be used;</p> <p>15.5. that fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares;</p> <p>15.6. that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;</p>

Article No.	Contents
	<p>15.7. that any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits;</p> <p>15.8. that option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings;</p> <p>15.9. Permission for Sub-Division/Consolidation of Share Certificate.</p>

**DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

Article No.	Contents
<b>16.</b>	<p>Subject to the provisions of Section 58 and 59 of the Companies Act, 2013, these Articles and other applicable provisions of the Act or any law for the time being in force, the Board may refuse, pursuant of any power of the Company under these Articles, to register the transfer of or the transmission by operation of law of the right to any shares or interest of a member in shares or debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was delivered to the 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 on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.</p>

**CONDITIONS FOR TRANSFER**

Article No.	Contents
<b>17.</b>	<p>17.1 The instrument of transfer of any shares in the Company shall be in writing and shall be duly stamped and executed both by the transferor and the transferee and the provisions of Section 56 of the Companies Act, 2013, including any statutory modifications thereof, shall be duly complied with in respect of all transfer of shares and registrations thereof.</p> <p>17.2. The Company shall not register a transfer of shares or debentures of the Company unless proper instrument of transfer, duly stamped and executed by or on behalf of the transferor and transferee and specifying the name, address and occupation, if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or debentures or, if no such certificate is in existence, along with the letter of allotment of shares or debentures provided that where on an application made in writing to the Company by the transferee and bearing the stamp required for an instrument of transfer it is proved to the satisfaction of the Board that instrument of transfer signed by or on behalf of the transferor and transferee has been lost, the Company may register the transfer on such terms as to indemnity or otherwise, as the Board may think fit.</p> <p>17.3. The Board shall have power, on giving not less than seven (7) days' previous notice by advertisement in a newspaper circulating in the district in which the registered 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 (30) days at a time and not exceeding, in the aggregate, forty five (45) days in each year, as it may deem expedient.</p>

Article No.	Contents
	<p>17.4. The executors or administrators or holders of a succession certificate or the legal representatives of a deceased (not being one or two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such shareholder and the Company shall not be bound to recognise such executors or administrator or holders of succession certificate or the legal representatives unless they shall have first obtained probate or letters of administration or succession certificate or other legal representation, as the case may be, from a duly constituted court in India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or letters of administration or succession certificate upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may think necessary and under the next Article register the name of any person who claims to be absolutely entitled to the shares, standing in the name of a deceased shareholder, as a shareholder.</p> <p>17.5. Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any shareholder or by any lawful means, other than by transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he purports to act under those Articles or of his title as the Board thinks sufficient, either be registered himself as the holder of the shares 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 in favour of his nominee an 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 the shares.</p> <p>17.6. Every instrument of transfer which is registered shall remain in the custody of the Company until destroyed by order of the Board.</p> <p>17.7. No fee shall be payable to the Company in respect of the transfer, transmission, probate, succession certificate and letters of administration, certificate of death and / or marriage, power of attorney or other similar documents.</p> <p>17.8. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of Persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest to notice prohibiting registration of such transfer and 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 to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.</p>



Article No.	Contents
18.	<p>18.1. For the purposes of this Article,</p> <p>(a) “Beneficial Owner” means a person whose name is recorded as such with a Depository.</p> <p>(b) “Registered Owner” means the Depository whose name is entered as such in the records of the Company;</p> <p>(c) “Security” means such security as may be specified by the Securities and Exchange Board of India, from time to time.</p> <p>18.2. Notwithstanding anything contained in these Articles and subject to applicable Law, the Company shall be entitled to dematerialise/re-materialise its Securities and to offer Securities in the dematerialised form pursuant to the Depositories Act.</p> <p>18.3. All Securities held by a Depository shall be dematerialised and shall be in fungible form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Sections 89 and 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities held by it on behalf of the beneficial owners.</p> <p>18.4. Nothing contained in the Act or these Articles, regarding the necessity of having distinctive numbers / certificate numbers, shall apply to Securities held in a Depository. Notwithstanding anything contained in the Act or these Articles, where the 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 and/or by delivery of floppies or disks.</p> <p>18.5. Where the Securities are dealt with in a Depository, the Company shall intimate the details of allotment or relevant Securities to the Depository on allotment of such Securities.</p> <p>18.6. The register of members and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register of members and other Security holders.</p> <p>18.7. As a registered owner the Depository shall not have any voting rights or any other rights in respect of the Securities held by it. Every Person whose name is entered as the beneficial owner of shares in the records of the Depository shall be deemed to be a Shareholder. Every Beneficial owner of Securities shall be entitled to all the rights and benefits including voting rights and be subject to all the liabilities in respect of the securities which are held by the Depository.</p>

**NOMINATION OF SECURITIES**

Article No.	Contents
<b>19.</b>	<p>19.1. In accordance with and subject to the provisions of Section 72 of the Companies Act, 2013, every holder of Securities or holder of debentures of the Company may, at any time, nominate, in the prescribed manner, a Person to whom his Securities or debentures of the Company shall vest in the event of his death.</p> <p>19.2. Where the Securities or debentures of the Company are held by more than one Person jointly, the joint holders may together nominate, in the prescribed manner, a Person to whom all the rights in the Securities or debentures of the Company shall vest in the event of death of all the joint holders.</p> <p>19.3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Securities or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any Person the right to vest the Securities or debentures of the Company, or as the case may be, on the death of the joint holders, the nominee shall become entitled to all the rights in the Securities or debentures of the Company, or as the case may be, on the death of all the joint holders, in relation to such Securities in or debentures of the Company, to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner.</p>

**TRANSMISSION IN CASE OF NOMINATION**

Article No.	Contents
<b>20.</b>	<p>20.1. Any Person who becomes a nominee by virtue of the provisions of Article 18, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:</p> <ul style="list-style-type: none"> <li>(a) to be registered himself as holder of the Securities and/or debenture(s) as the case may be; or</li> <li>(b) to make such Transfer of the Securities and/or debenture(s), as the case may be, as the deceased shareholder and/or debenture-holder concerned or deceased joint-holder as the case may be, could have made.</li> </ul> <p>20.2. If the Person being a nominee, so becoming entitled, elects himself to be registered as holder of the Securities and/or debenture(s), as the case may be, he shall deliver or send to the Company a notice in writing duly signed by him stating that the nominee concerned so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder / debenture holder /joint holders, as the case may be.</p> <p>20.3. All the limitations, restrictions and provisions of the Articles relating to the right to Transfer and the registration of Transfers of Securities and/or debenture(s) shall be applicable to any such notice or Transfer as aforesaid as if the death of the shareholder/debenture-holder had not occurred and the notice or Transfer were signed by that shareholder and/or debenture-holder or joint-holder, as the case may be.</p> <p>20.4. A Person being a nominee, becoming entitled to the Securities and/or debenture(s) by reason of the death of the holder, shall be entitled to the same dividends and other advantages to</p>

Article No.	Contents
	which he would be entitled if he were the registered holder of the Securities and/or debenture(s) except that he shall not, before being registered a shareholder in respect of his Securities, be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the Company. Provided that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to Transfer the Securities and/or debentures. If the notice is not complied with within ninety (90) days, the Board may thereafter withhold payments of all dividends, bonuses or other moneys payable or rights accruing in respect of the Securities and/or debenture(s) until the requirements of the notice have been complied with.

**DEATH OF ONE OR MORE JOINT HOLDERS OF SECURITIES**

Article No.	Contents
<b>21.</b>	<p>21.1. Every holder of Securities and/or debenture(s) of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his Securities and/or debenture(s) of the Company shall vest in the event of his death.</p> <p>21.2. Where the Securities and/or debenture(s) of the Company are held by more than one Person jointly, all the joint holders may together nominate, in the manner prescribed under the Act, a Person to whom all the rights in the Securities and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.</p> <p>21.3. Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such Securities and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act purports to confer on any person the right to vest the Securities in and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debenture holder concerned or on the death of all the joint holders, as the case may be, become entitled to all the rights in relation to such share(s) and/or debenture(s) to the exclusion of all other persons unless the nomination is varied / cancelled in the manner prescribed under the Act.</p> <p>21.4. Where the nominee is a minor, the holder of the Securities and/or debenture(s) of the Company can make a nomination in the manner prescribed under the Act to appoint any person to become entitled to the Securities and/or debentures(s) of the Company in the event of his death during the minority.</p>

**NO TRANSFER TO AN INFANT, ETC.**

Article No.	Contents
<b>22.</b>	No Equity Share or any other Security of the Company shall, in any circumstances, be transferred to any infant, insolvent or person of unsound mind.

**PERSONS ENTITLED MAY RECEIVE DIVIDEND**

Article No.	Contents
<b>23.</b>	A Person entitled to any Securities by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may be given a discharge for any dividends or other moneys payable in respect of the Securities.

## COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO SHAREHOLDERS

Article No.	Contents
<b>24.</b>	Copies of the Memorandum of Association of the Company and Articles and other documents referred to in Section 17 of the Act shall be sent by the Company to every shareholder at his request within seven (7) days of the request on payment of the sum of Rupee One (Re.1/-) for each copy.

## BORROWING POWERS

Article No.	Contents
<b>25.</b>	<p>25.1 Subject to the provisions of Sections 179 and 180 of the Companies Act, 2013 and of these Articles the Board may from time to time at its discretion, by a resolution passed at a meeting of the Board, generally raise or borrow or secure the payment of any sum or sums of money for the Company. Provided however that, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of the shareholders in Shareholders' Meeting.</p> <p>25.2 Subject to these Articles, 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 may think fit and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and debentures, 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.</p> <p>25.3 Subject to the provisions of these Articles, any debentures, debenture-stock or other Securities may be issued at a premium or otherwise and subject to the provisions of the Act, may be issued on condition that they shall be convertible into shares of any denomination and with any privileges or conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Equity Shares shall be issued only with the consent of the shareholders in General Meeting.</p> <p>25.4 The Company shall, if at any time it issues debentures, keep a register and index of debenture holders in accordance with Section 88 of the Companies Act, 2013. The Company shall have the power to keep in any State or country outside India, a branch register of debenture holders resident in that State or Country.</p> <p>25.5 Subject to the provisions of these Articles, if any uncalled Share Capital is included in or charged by any mortgage or other securities, the Directors may, subject to the provisions of the Act and these presents, make calls on the shareholders in respect of such uncalled capital in trust to the Person in whose favour such mortgage or security is executed.</p> <p>25.6 The Company shall comply with all the provisions of the Act and these Articles in respect of the mortgages or charges created by the Company and the registration thereof and the Transfer of the debentures of the Company and the register required to be kept in respect of such mortgages, charges and debentures.</p>

Article No.	Contents
<b>26.</b>	<p>26.1. Subject to the provisions of these Articles, the Directors may from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as they think fit as a Reserve Fund to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends or for repairing, improving and maintaining any of the property of the Company and for such other purposes of the Company as the Directors in their absolute discretion think conducive to the interest of the Company and may, subject to Section 179 of the Companies Act, 2013, invest the several sums so set aside upon such investments (other than Equity Shares) as they may think fit and from time to time, deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the Reserve Fund into such special funds as they think fit, with full power to transfer the whole or any portion of a Reserve Fund to another Reserve Fund or a division of a Reserve Fund and also with full power to employ the Reserve Funds or any part thereof in the business of the Company and 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 in its discretion, to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.</p> <p>26.2. Subject to the provisions of these Articles, the Directors may from time to time before recommending any dividend, set apart any and such portion of the profits of the Company, as they think fit, as depreciation fund applicable at the discretion of the Directors, for providing against any depreciation in the investments of the Company or for re-building, restoring, replacing or for altering any part of the buildings, work, plant, machinery or other property of the Company, destroyed or damaged by fire, flood, storm, tempest, earthquake, accident, riot, wear and tear or any other means whatsoever and for repairing, altering and keeping in good condition the property of the Company or for extending and enlarging the building, machinery and property of the Company with full power to employ the assets constituting such depreciation fund in the business of the Company and without being bound to keep the same separate from the other assets.</p> <p>26.3. All moneys earned to any reserve fund and depreciation fund respectively shall nevertheless remain and be profits of the Company applicable subject to due provisions being made for actual loss or depreciation, for the payment of dividend and such moneys and all the other moneys of the Company may be invested by the Directors in or upon such investments or Securities as they may select or may be used as working capital or may be kept at any bank on deposit or otherwise as the Directors may from time to time think proper.</p>

**ANNUAL GENERAL MEETINGS**

Article No.	Contents
<b>27.</b>	<p>27.1. In addition to any other meetings, General Meetings shall be held at such intervals as are specified in Section 96 of the Companies Act, 2013 and subject to the provisions of Section 96 (2) of the Companies Act, 2013, at such times and places as may be determined by the Board.</p> <p>27.2. Each such General Meeting shall be called an Annual General Meeting. Every Annual General Meeting shall be called for a time during business hours, that is, between 9 a.m. and 6 p.m. on a 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, town or village in which the Registered Office of the Company is situated.</p>

**EXTRA ORDINARY GENERAL MEETING**

Article No.	Contents
28.	<p>28.1. All other meetings of the Company other than those referred to in the preceding Article 26 shall be called Extraordinary General Meeting.</p> <p>28.2. Subject to the provisions of these Articles, the Directors may, whenever they think fit and they shall, on the requisition of the holders of not less than one-tenth of the paid-up Share Capital of the Company as at the date earns right of voting in regard to the matter in respect of which the requisition is made, forthwith proceed to convene an Extra-ordinary General Meeting and in the case of such requisition, the provisions of Section 100 of the Companies Act, 2013 shall apply.</p> <p>28.3. Any valid requisition so made by the shareholders must state the object or objects of the meeting proposed to be called and must be signed by the holders making the requisition and be deposited at the office provided that such requisition may consist of several documents in like form, each signed by one or more holders making the requisition.</p> <p>28.4. Subject to the provisions of these Articles, upon the receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within twenty one (21) days from the date of the requisition being deposited at the registered office to cause a meeting to be called on a day not later than forty five (45) days from the date of deposit of the requisition, the shareholders making the requisition, or such of their number as represent either a majority in value of the Share Capital held by all of them or not less than one tenth of such of the Share Capital as is referred to in Section 100(4) of the Companies Act, 2013, whichever is less, may themselves call the General Meeting, but in either case, any General Meeting so called shall be held within three (3) months from the date of the delivery of the requisition as aforesaid.</p> <p>28.5. Any meeting called under the foregoing Articles by the shareholders making the requisition shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.</p> <p>28.6. A minimum twenty one (21) days' prior written notice shall be given to all the shareholders of any Shareholders' Meeting accompanied by the agenda for such meeting.</p> <p>28.7. In the case of all the shareholder Meetings and in the case of any other meeting in any event, there shall be annexed to the notice of the meeting a statement setting out all the material facts concerning each such items of business, including in particular, the nature and extent of the interest, if any, therein of every Director and the manager (if any). Where any item of business consists of the accord of approval to any documents by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p> <p>28.8. The accidental omission to give any such notice to or the non-receipt of notice by any of the shareholders or persons entitled to receive the same shall not invalidate the proceedings at any such meeting.</p> <p>28.9. No Shareholders' Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which the meeting was convened.</p>

## QUORUM IN A SHAREHOLDERS' MEETING

Article No.	Contents
<b>29.</b>	<p>29.1. Subject to the provisions of the Act and these Articles, five(5) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is not more than One Thousand; Fifteen (15) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is more than One Thousand but not more than Five Thousand; Thirty (30) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting exceeds five thousand.</p> <p>29.2. In the absence of a valid quorum at any Shareholders' Meeting, such Shareholders' Meeting shall be adjourned to the same place and time seven (7) days later. If at the adjourned meeting also a valid quorum is not present, then, the shareholders present at such meeting shall be deemed to be the valid quorum and the Shareholders' Meeting shall continue and proceed with its agenda, subject to their being a valid quorum as per the provisions of the Act. The meeting, if called by requisitionists under section 100, shall stand cancelled</p> <p>29.3. The Chairman (if any) of the Board of Directors appointed in terms of Article 36 shall be entitled to take the Chair at every General Meeting, whether Annual or Extra-ordinary. If there be no such Chairman of the Board of Directors or if at any meeting he or other Persons specified in Article 36 shall not be present within ten minutes of the time appointed for holding such meeting or shall decline to take the Chair than any other Director present thereat shall be entitled to take the Chair and the shareholders present shall elect that Director as Chairman and if no Director be present or if all the Directors present decline to take the Chair, then the shareholders present shall elect one of them to be the Chairman.</p> <p>29.4. The election of the Chairman, if necessary, shall be carried out in accordance with Section 104 of the Companies Act, 2013. No business shall be discussed at any General Meeting except for the matter relating to the election of Chairman, whilst the Chair is vacant.</p> <p>29.5. The Chairman with the consent of the shareholders in a General Meeting may and shall, if so directed by the meeting, adjourn any meeting 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. Subject to the provisions of the Act and these Articles, it shall not be necessary to give any notice of an adjournment or of the date, the time or the place of the adjourned meeting or of the business to be transacted thereat.</p>

## DECISIONS AT GENERAL MEETINGS

Article No.	Contents
<b>30.</b>	<p>Subject to any additional requirements under the Act and these Articles, at a duly called General Meeting, all decisions shall be approved if passed only with the affirmative vote of shareholders present at the meeting and representing more than fifty percent (50%) of the Equity Shares held by all shareholders present at the meeting, duly called and for which the requisite quorum is present, as required under these Articles or the Act, as the case may be.</p>

## DECISIONS BY POLL

Article No.	Contents
<b>31.</b>	<p>31.1. At any General Meeting, a resolution put to the vote of the meeting shall be decided by poll if so demanded by the shareholders. The poll may be by open voting or by ballot as the Chairman shall direct and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting.</p> <p>31.2. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a shareholder (not being an officer or employee of the Company) present at the meeting provided that a shareholder is available and willing to be appointed. The Chairman shall have the power at any time before the result of the poll is declared to remove a scrutineer from the office and fill the vacancy in the office of the scrutineer arising from such removal or from any other cause.</p> <p>31.3. Any poll duly demanded on the election of a Chairman of a General Meeting or on any question of adjournment shall be taken forthwith at the General Meeting.</p> <p>31.4. Subject to the provisions of the Act, the Chairman of the General Meeting shall have power to regulate the manner in which a poll shall be taken. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.</p> <p>31.5. Subject to the provisions of Section 103 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company may pass resolutions by way of postal ballot from time to time.</p>

## VOTES OF SHAREHOLDERS

Article No.	Contents
<b>32.</b>	<p>32.1. No shareholder shall be entitled to vote either personally or by proxy for another shareholder at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon poll 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 any right of lien and has exercised the same.</p> <p>32.2. Subject to these Articles, on a show of hands, every holder of Equity Shares entitled to vote and present in person shall have one vote and on a poll the voting right of every holder of Equity Shares, whether present in person or by proxy, shall be in proportion to his share of the Share Capital.</p> <p>32.3. The voting rights of the holders of preference shares shall be in accordance with Section 47 of the Companies Act, 2013.</p> <p>32.4. On a poll taken at a meeting of the Company, a shareholder 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.</p> <p>32.5. A shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by</p>



Article No.	Contents
	<p>proxy. If any shareholder be a minor, the vote in respect of his shares shall be by his guardian or any one of his guardians.</p> <p>32.6. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A corporation being a shareholder may vote by representative duly authorised in accordance with Section 113 of the Companies Act, 2013 and such representative shall be entitled to speak, demand a poll, vote, appoint a proxy and in all other respects exercise the rights of a shareholder and shall be reckoned as a shareholder for all purposes.</p> <p>32.7. Every proxy (whether a shareholder or not) shall be appointed in writing under the hand of the appointer or his attorney or if such appointer is a corporation, under the common seal of such corporation or the hand of its officer or an attorney, duly authorised by it and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.</p> <p>32.8. 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 or authority shall be deposited at the registered office not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date of its execution.</p> <p>32.9. Every instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances will admit, be in either of the form set out in Form No. MGT.11 of Companies (Management and Administration) Rules, 2014.</p> <p>32.10. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the office of the Company before the meeting.</p> <p>32.11. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.</p> <p>32.12. A shareholder present by proxy shall be entitled to vote only on a poll.</p> <p>32.13. No objection shall be made to the validity of any vote, except at the meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.</p> <p>32.14. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that, on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive</p>

Article No.	Contents
	<p>evidence of the fact without proof of the number or proportion of the votes cast in favour of or against such resolution.</p> <p>32.15. Any Person who transfers any shares in terms of these Articles may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that forty eight (48) hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to Transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.</p> <p>32.16. A person appointed as proxy shall be act on behalf of shareholder not exceeding fifty members and holding not more than 10% of the aggregate share capital carrying voting rights. The shareholder holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and in that case, person appointed as proxy for such shareholder cannot act as proxy for any other person or shareholder.</p>

#### MINUTES OF MEETINGS

Article No.	Contents
<b>33.</b>	<p>Subject to the provisions of Section 118 of the Companies Act, 2013, the Company shall cause to be kept minutes of all proceedings of General Meetings which shall contain a fair and correct summary of the proceedings thereat and a book containing such minutes shall be kept at the registered office of the Company and shall be open during business hours for such periods not being less in the aggregate than two (2) hours in each day as the Directors may determine for the inspection of any shareholder without charge. The minutes aforesaid shall be kept by making within thirty (30) days of the conclusion of every such meeting concerned entries thereof in the said book which shall have its pages consecutively numbered. Each page of the book shall be initialed or signed and the last page of the record of the proceedings of each meeting in the book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of the Chairman to sign as aforesaid within that period, by a Director duly authorised by the Board for that purpose. In no case shall the minutes be attached to any such book by pasting or otherwise.</p>

#### BOARD OF DIRECTORS

Article No.	Contents
<b>34.</b>	<p>34.1. The first Directors of the Company are:</p> <ol style="list-style-type: none"> <li>1. Sri. G. Ramalinga Reddy</li> <li>2. Smt. G. Praveena Reddy.</li> </ol> <p>34.2. Subject to the provisions of these Articles and the Act, the number of Directors on the Board shall be not less than six (6) Directors and not more than fifteen (15) Directors.</p> <p>34.3. The number of Directors of the Company who shall be resident Indians shall be such number as specified in the Print Media Guidelines which currently is at least 3/4th of the Directors of the Company.</p> <p>34.4. Subject to the provisions of these Articles and the Act, the Board of the Company shall be responsible for the management, supervision, direction and control of the Company.</p>

Article No.	Contents
35.	<p>35.1 The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles, by Ordinary Resolution remove any Director not being a Director appointed by the Tribunal under Section 242 of the Companies Act, 2013 before the expiry of his period of office.</p> <p>35.2 Special Notice as provided by these Articles or Section 115 of the Companies Act, 2013 shall be required of any resolution to remove a Director or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.</p> <p>35.3 On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>35.4 Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes, with respect thereto, representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are received by it too late for it to do so:</p> <ul style="list-style-type: none"> <li>(a) in the notice of the resolution given to the Members of the Company, state the fact of the representations having been made and</li> <li>(b) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the receipt of the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the Meeting; provided that copies of the representations need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved, the Company Law Board is satisfied that the rights conferred by this Sub-clause are being abused to secure needless publicity for defamatory matter.</li> </ul> <p>35.5 A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of these Articles or Section 169 of the Companies Act, 2013, be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under these Articles. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>35.6 If the vacancy is not filled as mentioned above, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable, of these Articles or Section 161 of the Companies Act, 2013 and all the provisions of that Article and Section shall apply accordingly.</p> <p>35.7 A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>35.8 Nothing contained in this Article shall be taken:-</p>

Article No.	Contents
	<p>(a) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director or</p> <p>(b) as derogating from any power to remove a Director which may exist apart from this Article.</p>

#### **DIRECTOR'S ACCESS**

Article No.	Contents
<b>36.</b>	Each Director shall be entitled to examine the books, accounts and records of the Company and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company.

#### **CHAIRMAN OF THE BOARD**

Article No.	Contents
<b>37.</b>	The Chairman of the Board of the Company shall be Mr. G. Ramalinga Reddy and in his absence Mrs. G. Praveena or Mrs. Geeta Goti or Mrs. Nina E Woodard. In the event Mr. G. Ramalinga Reddy, Mrs. G. Praveena Reddy, Mrs. Geeta Goti or Mrs. Nina E. Woodard are not available for a Board Meeting, then such Director as appointed by the Board from amongst the Directors present at such Board Meeting shall be the Chairman of such Board Meeting. In case of an equality of votes, the Chairman of the Board shall have a second or casting vote.

#### **ALTERNATE DIRECTOR**

Article No.	Contents
<b>38.</b>	Subject to the provisions of section 161(2) of the Companies Act, 2013, each Director shall be entitled to nominate an alternate Director to act in accordance with the Act. Each Director shall also have a right to withdraw the nominated alternate Director and nominate another in his/her place. The shareholders shall take all such actions, including exercising their votes in relation to the Equity Shares controlled by them, as may be required to cause any alternate Director nominated pursuant to this Article 37 to be duly elected or appointed.

#### **POWER TO APPOINT EX OFFICIO DIRECTORS**

Article No.	Contents
<b>39.</b>	Subject to the provisions of these Articles, whenever Directors enter into a contract with any Government, Central, State or Local, any bank or financial institution or any Person or Persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company, one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any

	<p>qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may fill any vacancy that may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.</p>
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**DEBENTURE DIRECTORS**

Article No.	Contents
<b>40.</b>	<p>If it is provided by the trust deed, securing or otherwise, in connection with any issue of debentures of the Company, that any Person or Persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the Person or Persons having such power may exercise such power from time to time and appoint a Director accordingly (“Debenture Director”). A Debenture Director may be removed from office at any time by the Person or Persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.</p>

**DIRECTORS' POWER TO ADD TO THE BOARD**

Article No.	Contents
<b>41.</b>	<p>Subject to the provisions of Sections 161 and 152 of the Companies Act, 2013 and these Articles, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under the Act. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.</p>

**DIRECTORS' POWER TO FILL CASUAL VACANCIES**

Article No.	Contents
<b>42.</b>	<p>Subject to the provisions of Sections 152 and 162 of the Companies Act, 2013 and these Articles including Article 37, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. 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 by him.</p>

**REMUNERATION OF DIRECTORS**

Article No.	Contents
<b>43.</b>	<p>43.1. Subject to the provisions of the Act and these Articles, the Executive Chairman or a Managing Director or 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.</p> <p>43.2. Subject to the provisions of the Act, a Director other than the Executive Chairman or a</p>

	<p>Director in the whole time employment or a Managing Director may be paid remuneration either:</p> <p>(a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or</p> <p>(b) by way of commission, if the Company has, by a special resolution, authorised such payment.</p> <p>43.3. The fee payable to a Director (including the Executive Chairman or a Managing or Whole-time director, if any) for attending a meeting of the Board or Committee thereof shall be decided by the Board from time to time within the limit of such fee that may be prescribed by the Central Government under the proviso to Section 197 of the Companies Act, 2013.</p>
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#### EXPENSES

Article No.	Contents
44.	The reasonable costs of attendance of Directors at Board Meetings (including costs of business class airfare, hotel accommodation and local transportation) shall be borne by the Company.

#### DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY

Article No.	Contents
45.	The continuing Directors may act notwithstanding any vacancy, so long as their number is not reduced below the minimum number fixed by these Articles and the continuing Directors, being not less than two, for the purpose of increasing the number of Directors to that number, or for summoning a Shareholders Meeting, but for no other purpose.

#### WHEN OFFICE OF DIRECTORS TO BECOME VACANT

Article No.	Contents
46.	<p>Subject to Sections 164, 167 283 (2) and 188 of the Companies Act, 2013 and these Articles, the office of a Director shall become vacant if:</p> <p>(a) he is found to be of unsound mind by a Court of competent jurisdiction; or</p> <p>(b) he applies to be adjudicated as an insolvent; or</p> <p>(c) he is adjudged an insolvent; or</p> <p>(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 date of expiry of the sentence; or</p> <p>(e) he fails to pay any call made on him in respect of the shares held by him, whether alone or jointly with others, within six (6) months from the date fixed for the payment of such call unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or</p> <p>(f) he becomes disqualified by an order of the Court or Tribunal and the order is in force ; or</p>

	<p>(g) he has been convicted of the offence dealing with related party transactions under section 188 of the Companies Act, 2013 at any time during the last preceding five years; or</p> <p>(h) he has not complied with sub-section (3) of section 152.</p>
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**DIRECTOR MAY CONTRACT WITH COMPANY**

Article No.	Contents
<b>47.</b>	Related party as defined in section 2(76) of the Companies Act, 2013 may enter into any contract or arrangement with respect to item specified in Section 188 of the Companies Act, 2013 with the Company subject to the provisions of these Articles and provisions of the Section 188 of the Companies Act, 2013 and Companies (Meetings of Boards and its Powers) Rules, 2014.

**DISCLOSURE OF INTEREST**

Article No.	Contents
<b>48.</b>	A Director of the 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 by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in which the contract or arrangement is discussed and such interested director shall not participate in any discussion of, or vote on, any contract, arrangement or proposal in which he is interested. in the manner provided in Section 184 of the Companies Act, 2013 provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other Company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent (2%) of the paid-up share capital in any such other Company.

**GENERAL NOTICE OF INTEREST**

Article No.	Contents
<b>49.</b>	Every director shall disclose his concerns or interest at the first meeting of the Board of Directors in which he participates as a director and thereafter at the first meeting of the Board of Directors in every financial year or if there is any change in discloser already made by director, 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 individual along with shareholding details as prescribed in Companies (Meetings of Board and it Powers) Rules, 2014 .

**INTERESTED DIRECTORS NOT TO PARTICIPATE OR VOTE IN BOARD'S PROCEEDINGS**

Article No.	Contents
<b>50.</b>	No Director shall, as a 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 such 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 contract or arrangement entered into by the Company without disclosure as per Article 48 or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement then such contract or arrangement shall be voidable at the option of the Company. Then, provided however, that nothing herein contained shall apply to: a member holding not more than two percent (2%) of paid-up share capital of such Company.

**REGISTER OF CONTRACTS IN WHICH DIRECTORS ARE INTERESTED**

Article No.	Contents
<b>51.</b>	The Company shall keep a register in accordance with Section 189 of the Companies Act, 2013 and shall within the time specified in Section 189(2) of the Companies Act, 2013, enter therein such of the particulars as may be relevant having regard to the application thereto of Section 184(2) or Section 188 of the Companies Act, 2013, as the case may be. The register aforesaid shall also specify, in relation to each Director or Key Managerial Personnel of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 48. The register shall be kept at the registered office of the Company and shall be open to inspection at such office and extracts may be taken therefrom and copies thereof may be required by any member of the Company, to the same extent, in the same manner and on payment of the same fee, as in the case of register of members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

**DIRECTORS MAY BE DIRECTORS OF COMPANIES PROMOTED BY THE COMPANY**

Article No.	Contents
<b>52.</b>	Subject to the provisions of Articles 61 and 62, a Director may be or become a Director of any Company promoted by the Company or in which it may be interested as vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as a director or shareholder of such Company except in so far as Section 197 or Section 188 of the Companies Act, 2013 may be applicable.

**RETIREMENT OF DIRECTORS BY ROTATION**

Article No.	Contents
<b>53.</b>	Subject to the provisions of Article 38 and 39, at every Annual General Meeting, one third of such of the Directors for the time being as are liable to retire or if their number is not three or a multiple of three, the number nearest to one third, shall retire from office.



**DETERMINATION OF DIRECTORS RETIRING BY ROTATION AND FILLING OF VACANCIES**

Article No.	Contents
<b>54.</b>	Subject to the provisions of Articles 33 and 34 and Section 152 of the Companies Act, 2013, the Directors to retire by rotation under Article 52 at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.

**ELIGIBILITY FOR RE-ELECTION**

Article No.	Contents
<b>55.</b>	A retiring Director shall be eligible for re-election.

**COMPANY TO APPOINT SUCCESSORS**

Article No.	Contents
<b>56.</b>	Subject to the provisions of Article 34, the Company at the Shareholders' Meeting at which a Director retires in manner aforesaid, may fill up the vacated office by electing a person thereto.

**PROVISION IN DEFAULT OF APPOINTMENT**

Article No.	Contents
<b>57.</b>	<p>57.1. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>57.2. If at the adjourned meeting also, the place 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 reappointed at the adjourned meeting, unless:</p> <ul style="list-style-type: none"> <li>(a) at that meeting or at the previous meeting, resolution for the reappointment of such Director has been put to the meeting and lost;</li> <li>(b) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be re appointed;</li> <li>(c) he is not qualified or he is disqualified for appointment;</li> <li>(d) a resolution, whether special or ordinary, is required for the appointment or re appointment by virtue of any provisions of the Act; or</li> <li>(e) the proviso to Sub section (2) of Section 162 of the Companies Act, 2013 is applicable to the case.</li> </ul>

#### COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS

Article No.	Contents
<b>58.</b>	Subject to the provisions of these Articles, including Article 34 and Section 149 of the Companies Act, 2013, the Company may by special resolution, from time to time, increase the number of Directors and may by ordinary resolution, remove the number of directors (subject to the provisions of Section 169 of the Companies Act, 2013) before the expiration of his period of office and appoint another qualified Person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

#### NOTICE OF CANDIDATE FOR OFFICE OF DIRECTOR EXCEPT IN CERTAIN CASES

Article No.	Contents
<b>59.</b>	<p>59.1. No person, not being a retiring Director, shall be eligible for appointment to the office of Director at any Shareholders' Meeting unless he or some shareholders intending to propose him has, not less than fourteen (14) days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such shareholders to propose him as a candidate for that office along with a deposit of one lakh rupees which shall be refunded to such person or, as the case may be, to such shareholder, if the person succeeds in getting elected as a Director.</p> <p>59.2. Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Companies Act, 2013 signifying his candidature for the office of a Director) proposed as a candidate for the office of Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed.</p>

#### REGISTER OF DIRECTORS ETC. AND NOTIFICATION OF CHANGE TO REGISTRAR

Article No.	Contents
<b>60.</b>	The Company shall keep at its registered office a register containing the particulars of its Directors and Key Managerial Personnel and shall otherwise comply with the provisions of the said Section in all respects.

#### REGISTER OF SHARES OR DEBENTURES HELD BY DIRECTORS

Article No.	Contents
<b>61.</b>	The Company shall in respect of each of its Director and Key Managerial Personnel keep at its registered office a register as required by Section 170 of the Companies Act, 2013 and shall otherwise duly comply with the provisions of the said Section in all respects.

#### DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE

Article No.	Contents
<b>62.</b>	Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the Company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any Company or

Article No.	Contents
	Companies or bodies corporate (including shareholding interest), firms or other association which are required to be included in the register under that section 189 of the Companies Act, 2013.

**DISCLOSURE BY A DIRECTOR OF HIS HOLDING OF SHARES AND DEBENTURES OF THE COMPANY, ETC.**

Article No.	Contents
<b>63.</b>	Every Director and Key Managerial Personnel shall give notice to the Company of such matters relating to himself as mentioned in Article 61 for the purpose of enabling the Company to comply with the provisions of Section 189 of the Companies Act, 2013.

**MANAGEMENT**

Article No.	Contents
<b>64.</b>	<p>64.1. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors of the Company upon such terms and conditions as the Board thinks fit and the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of the Managing Director or Managing Directors may be by way of monthly payment, fee for each meeting or participation in profits or by any or all these modes or any other mode not expressly prohibited by the Act and shall be subject to such limitations as may be prescribed by the Act. The Directors may whenever they appoint more than one Managing Director, designate one or more of them as “Joint Managing Director” or “Joint Managing Directors” or “Deputy Managing Director” or “Deputy Managing Directors”, as the case may be, and accordingly the expression “Managing Director” shall also include and be deemed to include “Joint Managing Director” or “Deputy Managing Director” as the case may be.</p> <p>64.2 The Managing Director or Managing Directors who are in the whole-time employment of the Company shall, subject to supervision and control of the Board of Directors, exercise such powers as are vested in them by the Board.</p> <p>64.3 The Company shall not appoint or employ or continue the appointment or employment of a person as its Chairman or Managing or Whole-time director who,</p> <ul style="list-style-type: none"> <li>(a) is an un-discharged insolvent or has at any time been adjudged an insolvent;</li> <li>(b) suspends or has at any time suspended payment to his creditors or makes or has at any time made a composition with them; or</li> <li>(c) is or has at any time been convicted by a Court of an offence involving moral turpitude.</li> </ul> <p>64.4 If Executive Chairman, Vice Chairman or Managing Director ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Chairman, Vice Chairman or a Managing Director.</p> <p>64.5. Subject to the provisions of the Act and these Articles, the Managing Director or Managing Directors shall not, while he or they continue to hold that office, be subject to retirement by rotation.</p>

## BOARD MEETINGS

Article No.	Contents
65.	The Board of the Company will meet not less than once a quarter every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board: The Board Meeting of the Company shall be held in Hyderabad or any other location as may be agreed by the Directors and the Company shall ensure that the Board Meeting of the Subsidiaries shall be held at the place where the respective registered office of the Subsidiary is situate or at any other location approved by the Directors of the Subsidiary.

## QUORUM FOR BOARD MEETINGS

Article No.	Contents
66.	Subject to the terms set out in these Articles and the provisions of the Act, two (2) Directors or 1/3rd of its total strength (any fraction in that one-third being rounded off as one) whichever is higher and the participation of the directors by video conferencing or by other audio visual means would constitute a quorum for the Board Meetings of the Company. In the absence of a valid quorum at a Board Meeting, such a Board Meeting shall be adjourned to the same place and time seven (7) days later or if that day is national holiday, till the next succeeding day, which is not national holiday, at the same time and place. If at the adjourned meeting also a valid quorum is not present, then the Directors present at such meeting shall be deemed to be the valid quorum and the Board Meeting shall continue and proceed with its agenda, subject to their being a valid quorum as per the provisions of the Act.

## NOTICE OF BOARD MEETINGS

Article No.	Contents
67.	A meeting may be called by the Chairman of the Board of the Company or any one (1)other Director giving notice in writing to the Company secretary specifying the date, time and agenda for such meeting. The Company secretary of the Company shall upon receipt of such notice give a copy of such notice to all Directors of such meeting, accompanied by a written agenda specifying the business of such meeting and copies of all papers relevant for such meeting. The Company shall ensure that sufficient information is sent with such notice to the Directors to enable each Director to make a decision on the issue in question at such meeting. Not less than a minimum seven (7) days' prior notice shall be given to each Director of any Board Meeting of the Company or the Subsidiary, as the case may be, accompanied by the agenda for the Board meeting by hand delivery or by post or by electronic means. The meeting may be called at shorter notice to transact business on urgent basis subject to the condition that at least one independent director shall present at the meeting. The quorum for the Board Meeting of the Company shall be in accordance with these Articles including Articles 65 herein above.

## VOTING AT BOARD MEETINGS

Article No.	Contents
<b>68.</b>	<p>68.1 At any Board Meeting, each Director may exercise one (1) vote. The matters shall be decided in the manner set out in Article 69 herein below.</p> <p>68.2 If permitted by the Act, the Directors may participate in Board Meetings by telephone or video conferencing or any other means of contemporaneous communication, provided each person taking part in the meeting is able to hear each other person taking part and provided further that each Director must acknowledge his presence for the purpose of the meeting and any Director not doing so shall not be entitled to speak or vote at the meeting. It is acknowledged however that, as of the date hereof, the Act does not presently deem such participation to constitute presence “in person” for purposes of quorum.</p>

## DECISION BY CIRCULATION

Article No.	Contents
<b>69.</b>	A written resolution circulated to all the Directors or members of committees of the Board, whether in India or overseas, and signed by a majority of them as approved, shall (subject to compliance with the relevant requirements of the Act) be as valid and effective as a resolution duly passed at a meeting of the Board or committee of the Board called and held in accordance with these Articles (provided that it has been circulated in draft form, together with the relevant papers, if any, to all the Directors).

## DECISIONS AT BOARD MEETINGS

Article No.	Contents
<b>70.</b>	Subject to any additional requirements under the Act and these Articles, at a duly called Board Meeting, all decisions shall be taken by a simple majority (the affirmative vote greater than fifty percent (50%) of the Directors present at a meeting duly called and for which requisite quorum is present) as required under these Articles or under the Act, as the case may

## DAY TO DAY MANAGEMENT

Article No.	Contents
<b>71.</b>	The day to day management of the Company shall be delegated by the Board to the Managing Director who shall exercise such powers as may be delegated by the Board of Directors subject to its overall supervision and control.

## POWERS OF THE BOARD MEETING

Article No.	Contents
<b>72.</b>	A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or these Articles are for the time being vested in or exercisable by the Board generally.

#### **DIRECTORS MAY APPOINT COMMITTEE**

Article No.	Contents
<b>73.</b>	<p>73.1. Subject to the provisions of these Articles and the restrictions contained in Section 179 of the Companies Act, 2013, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it thinks fit and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of its appointment but not otherwise, shall have the like force and effect as if done by the Board.</p> <p>73.2. The Company shall have a separate executive committee of the Board of Directors consisting of such number of Directors and such personnel of the Company as may be deemed necessary by the Board of Directors of the Company (the “Executive Committee”). The Executive Committee will meet every month or at any time as the Directors deem necessary to, inter alia, discuss the ongoing business developments of the Company</p> <p>73.3. The Company shall have a separate transfer committee of the Board of Directors and of its Subsidiaries consisting of such number of Directors and such personnel of the Company as may be deemed necessary by the Board of Directors of the Company (the “Transfer Committee”). The Transfer Committee shall maintain the records of the various Transfers of the Equity Shares made by the shareholders of the Company and/or the Subsidiaries.</p>

#### **MEETING OF COMMITTEE HOW TO BE GOVERNED**

Article No.	Contents
<b>74.</b>	The meeting and proceedings of any such committee of the Board shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors.

#### **ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT**

Article No.	Contents
<b>75.</b>	All acts done by any meeting of the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as if every such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

## MINUTES OF BOARD MEETINGS

Article No.	Contents
<b>76.</b>	<p>76.1. The Company shall cause minutes of all proceedings of every meeting of the Board and committee thereof to be kept by making within thirty (30) days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>76.2. 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 book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>76.3. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>76.4. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>76.5. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>76.6. The minutes shall also contain:</p> <ul style="list-style-type: none"> <li>(a) the names of the Directors present at the meeting; and</li> <li>(b) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.</li> </ul> <p>76.7. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.</p>

## POWERS OF THE BOARD

Article No.	Contents
<b>77.</b>	<p>Subject to the provisions of the Act and these Articles, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and to do provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or in other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in general meeting provided further that in exercising any such power or doing any such act or things, the Board shall be subject to the provisions in that behalf contained in the Act or in any other Act or in the Memorandum of Association of the Company or these Articles or any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if those regulations had not been made.</p>

## DIVIDENDS

Article No.	Contents
<b>78.</b>	<p>78.1. Subject to the provisions of these Articles and subject to the rights of the shareholders entitled to shares (if any) with preferential or social rights attached thereto, the profits of the</p>

Article No.	Contents
	<p>Company which it shall, from time to time, determine to divide in respect of any year or other period shall be applied in the payment of a dividend on the Equity Shares of the Company but so that a partly paid-up share shall only entitle the holder with respect thereto to such proportion of the distribution upon a fully paid-up share as the amount paid thereon bears to the nominal amount of such share and so that, where capital is paid-up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.</p> <p>78.2. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may fix the time for payment.</p> <p>78.3. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.</p> <p>78.4. No dividend shall be payable except out of the profits of the Company for the year or any other undistributed profits and no dividend shall carry interest as against the Company.</p> <p>78.5. Where any assets, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits and bear the losses thereof, such profits and losses, as the case may be, shall, at the discretion of the Directors, be so credited or debited wholly or in part to the profit and loss account and in that case the amounts so credited or debited shall for the purpose of ascertaining the fund available for dividend be treated as a profit or loss arising from the business of the Company and available for dividend accordingly. If any shares or securities are purchased with dividend or interest, such dividend or interest when paid may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.</p> <p>78.6. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.</p> <p>78.7. The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.</p> <p>78.8. The Directors may retain dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.</p> <p>78.9. 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 member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the call.</p> <p>78.10. No shareholder shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or 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 member all sums of money due from him to the Company.</p> <p>78.11. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.</p>



Article No.	Contents
	<p>78.12. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a payslip or receipt or by any electronic mode having the force of a cheque or warrant, sent through the post to the registered address of the member or Person entitled or in case of joint-holders, to that one of them first named in the register of members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means. If several persons are registered as joint-holders of any shares, any one of them can give effectual receipts for any dividends or other moneys payable in respect thereof. No unclaimed dividend shall be forfeited before the claim thereto becomes barred by law. The Directors may annul such forfeiture and pay any such dividend.</p> <p>78.13. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account". The Company shall within a period of ninety days of making any transfer of an amount 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 and also on any other website approved by the Central Government, for this purpose. Any money transferred to the unpaid dividend account of a Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013. No unclaimed or unpaid dividend shall be forfeited by the Board.</p>

## CAPITALISATION

Article No.	Contents
79.	<p>79.1. Subject to the provisions of these Articles, the Company may at any General Meeting resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of any reserve or reserves or any capital redemption reserve fund or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the share premium account be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend. The distribution shall be made in the same proportion on the footing that they become entitled thereto as capital. All or any part of such capitalised fund may be applied on behalf of such shareholders in paying up in full any un-issued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a share premium account or a capital redemption reserve fund may, for the purpose of this Article only, be applied in the paying up of un-issued shares to be issued to members of the Company as fully paid bonus shares.</p> <p>79.2. A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investment representing the same or any other undistributed profits of the Company, not subject to charge for income-tax, be distributed among the members on the footing that they receive the same as capital.</p> <p>79.3. For the purpose of giving effect to any resolution under the preceding two Articles, the Board may settle any difficulty which may arise in regard to the distribution, as they think expedient and in particular, may issue fractional certificates and may fix the value for distribution of any specific assets and may determine what cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the Persons entitled to the dividend or capitalised fund and such appointment shall be effective.</p>

## BOOKS AND DOCUMENTS

Article No.	Contents
80.	<p>80.1. The Company shall, and the Company shall cause its Subsidiaries and Affiliates to, keep proper, complete and accurate books of account in rupees in accordance with Indian accounting standards. Further, the Directors shall cause to be kept proper books of account in accordance with Section 128 of the Companies Act, 2013 with respect to:</p> <ul style="list-style-type: none"> <li>(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;</li> <li>(b) all sales and purchases of goods by the Company; and</li> <li>(c) the assets and liabilities of the Company.</li> </ul>

Article No.	Contents
	<p>80.2. The books of account shall be kept at the registered office or subject to the proviso to Section 128 of the Companies Act, 2013 at such other place as the Directors think fit and shall be open to inspection by the Directors during the business hours.</p> <p>80.3. The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of the members not being Directors 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 by law or authorised by the Directors.</p> <p>80.4. The 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 Company in General Meeting such profit and loss account and balance sheet as are referred to in those Sections.</p> <p>80.5. A copy of every such profit and loss account and balance sheet (including the auditor's report and every other document required by law to be annexed or attached to the balance sheet) shall, at least twenty-one (21) days before the same are to be laid before the members, be sent to every member of the Company, to holders of debentures issued by the Company (not being debentures which ex-facie are payable to the bearer thereof), to trustees for the holders of such debentures and to all persons entitled to receive notices of General Meetings of the Company.</p>

**AUDIT**

Article No.	Contents
<b>81.</b>	<p>81.1. The auditors of the Company shall be appointed and their rights and duties regulated in accordance with Sections 139 and 147 of the Companies Act, 2013 and these Articles.</p> <p>81.2. Every account of the Company when audited and approved by General Meeting shall be conclusive except as regards any error discovered therein within three (3) months next after the approval thereof. When any such error is discovered within that period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.</p>

**CODE OF CONDUCT**

Article No.	Contents
<b>82.</b>	The Board shall lay down a code of conduct for all the Board members and the senior management of the Company. All members of the Board and the senior management shall affirm compliance with the code of conduct on an annual basis.

**COMMON SEAL**

Article No.	Contents
83.	<p>83.1. The Board shall provide a common seal for the purpose of the Company and shall have powers from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of the Board or a committee of the Board previously given and in the presence of a Director of the Company or some other person appointed by the Directors for the purpose..</p> <p>83.2 Every Deed or other instruments to which the Seal of the Company is required to be affixed shall be invalid unless the same is signed by one Director or some other person appointed by the Board for the purpose, provided nevertheless that certificate of shares may be sealed in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or the statutory modification or re-enactment thereof for the time being in force.</p>

**DOCUMENTS AND NOTICE**

Article No.	Contents
84.	<p>84.1. A document or notice maybe served or given by the Company on any member or an officer thereof either in writing or through electronic mode.</p> <p>84.2. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, the time at which the letter would be delivered in the ordinary course of post.</p> <p>84.4. A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter addressed to him by name or by the title of representative of the deceased or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the person claiming to be so entitled or (until such an address has not so been supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.</p> <p>84.5. Documents or notice of every General Meeting shall be served in the same manner hereinbefore authorised on or to (a) every member (b) every person entitled to a share in consequence of the death or insolvency of a member and (c) the auditor or auditors for the time being of the Company.</p> <p>84.6. Every Person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of each share received by him prior to his name and address being entered on the register of members, if it is duly served on the person from whom he derives his title to such Equity Share.</p>

	<p>84.7. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board for such purpose and the signature may be written, printed or lithographed.</p> <p>84.8. All documents or notices to be served or given by members on or to the Company or any officer thereof shall be served or given by sending them to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.</p>
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**AUTHENTICATION OF DOCUMENTS**

Article No.	Contents
<b>85.</b>	Save as otherwise expressly provided in the Act or these Articles, documents or proceedings requiring authentication by the Company may be signed by a Director or an authorised officer of the Company and need not be under its Seal.

**WINDING UP**

Article No.	Contents
<b>86.</b>	<p>The liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a special resolution but subject to the rights attached to any preference share capital, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of the kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like</p> <p>Sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction, shall be compelled to accept on shares or other securities whereon there is any liability.</p>

**INDEMNITY AND RESPONSIBILITY**

Article No.	Contents
<b>87.</b>	<p>87.1. Subject to the provisions of Section 201 of the Act, every Director, Manager, officer or servant of the Company or any Person (whether an officer of the Company or not) employed by the Company as auditor shall be indemnified out of the funds of the Company against all claims, costs, charges, losses and damages which any such Person, may incur or become liable to, by reason of any contract entered into or act or thing done in the execution or discharge of his duties or supposed duties (except such if any, he shall incur or sustain through or by his own willful act, neglect or default) including against all liabilities incurred by him as such director, manager, officer or auditor in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.</p> <p>87.2. Subject to the provisions of the Act, no Director, Auditor or other officer of the Company shall be liable for the act, receipts, neglects or defaults of any other Director or officer or for joining in any receipts or other act for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any</p>

	<p>error of judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatsoever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.</p> <p>87.3. The Company may, in its discretion and to the fullest extent permitted under applicable law, rule or regulation, indemnify any Director or officer or Secretary of the Company or any Person employed by the Company or auditor against any liability incurred by him by reason of any contract entered into or act or thing done by him as an officer, Director or Secretary or in any way in the discharge of his duties, or in defending any bona fide proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court. Such indemnity shall immediately attach as a lien on the property of the Company and have priority as between the Members over all other claims.</p>
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**WAIVER**

Article No.	Contents
<b>88.</b>	In the event any requirement or condition as stipulated in these Articles are waived or amended in the manner as mutually agreed by shareholders by passing a special resolution, then such requirement or condition as set out in these Articles shall also be deemed to have been waived or amended to that extent.

## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 1-8-505/D/E/A, Husys House, Prakash Nagar Extension, Begumpet, Hyderabad, Telangana-500016, India, from date of filing the Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### MATERIAL CONTRACTS

1. Mandate letter dated February 18, 2016 issue by our Company to the Lead manager.
2. Issue Agreement dated April 19, 2016 between our Company and the Lead Manager.
3. Agreement dated April 19, 2016 between our Company and the Registrar to the Issue.
4. Public Issue Account agreement dated [●] among our Company, the Lead Manager, the Public Issue Bank/Banker to Issue, and the Registrar to the Issue.
5. Underwriting agreement dated April 19, 2016 between our Company and Lead Manager.
6. Market Making Agreement dated April 19, 2016 between our Company, the Lead Manager and the Market Maker.
7. Agreement among NSDL, our Company and the Registrar to the Issue dated August 19, 2015.
8. Agreement among CDSL, our Company and the Registrar to the Issue dated August 06, 2015.

#### MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
2. Resolution of the Board dated March 18, 2016 authorizing the Issue.
3. Special Resolution of the shareholders passed at the Extra Ordinary General Meeting dated March 21, 2016 authorizing the Issue.
4. Statement of Tax Benefits dated May 09, 2016, issued by Statutory Auditor, M/s. JBRK & Co., Chartered Accountants.
5. Report of the Peer Review Auditor, May 23, 2016, Chartered Accountants, on the Restated Financial Statements for the Financial Year ended as on March 31, 2016, 2015, 2014, 2013 and 2012 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Banker to our Company, the Lead Manager, Underwriter, Registrar to the Issue, Market Maker to the Issue, Legal Advisor, Bankers to the Issue/ Public Issue Bank, Refund Banker to the Issue, to act in their respective capacities.
7. Copy of approval from NSE *vide* letter dated [●] to use the name of NSE in this offer document for listing of Equity Shares on NSE EMERGE Platform.
8. Due Diligence Certificate dated May 25, 2016 from the Lead Manager.
9. Copy of Managing Director Agreement with Mr. Gundlapally Ramalinga Reddy and our Company dated March 21, 2016 for his appointment.

10. Copy of Whole Time Director Agreement with Mrs. Gundlapally Praveena and our Company dated March 21, 2016 for her appointment.
11. Copy of the Special Resolution dated March 21, 2016 for the appointment of Mr. Gundlapally Ramalinga Reddy as Managing Director of the Company.
12. Copy of the Special Resolution dated March 21, 2016 for the appointment of Mrs. Gundlapally Praveena as Whole Time Director of the Company.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, with the approval of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



**DECLARATION**

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013 and the guidelines issued by the Government of India or the regulations / guidelines 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 the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

**Signed by the Directors of our Company**

Name	DIN	Designation	Signature
Gundlapally Ramalinga Reddy	00559079	Managing Director	
Gundlapally Praveena	00559136	Whole Time Director	
Geeta Goti	06866598	Executive Director	
Biju Varkkey	01298281	Independent & Non-Executive Director	
*Nina Elizabeth Woodard	00754603	Independent & Non-Executive Director	
Atal Bihari Malviya	02061495	Independent & Non-Executive Director	

\*Mr. Gundlapally Ramalinga Reddy has been authorized by Ms. Nina Elizabeth Woodard to sign on behalf of her through Power of Attorney dated May 11, 2016.

**Signed by Company Secretary & Compliance Officer and Chief Financial Officer**

Harshita Jain

Francis Paul

**Company Secretary & Compliance Officer**

**Chief Financial Officer**

**Date:** May 25, 2016

**Place:** Hyderabad

**Annexure A**

**FORMAT FOR DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY SARTHI CAPITAL ADVISORS PRIVATE LIMITED**

**TABLE 1**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing Benchmark]- 30 <sup>th</sup> calendar day from listing	+/- % change in closing price, [+/- % change in closing Benchmark]- 90 <sup>th</sup> calendar day from listing	+/- % change in closing price, [+/- % change in closing Benchmark]- 180 <sup>th</sup> calendar day from listing
1.	Bothra Metals & Alloys Limited	12.21	25	March 25, 2013	25.5	11.00 [3.88]	7.40 [-0.75]	30.00 [6.23]
2.	Tiger Logistics (India) Limited	7.52	66	September 12, 2013	69.2	-13.17 [4.17]	-7.38 [7.02]	-8.10 [10.34]
3.	R J Bio-Tech Limited	5.00	20.00	September 25, 2013	21.00	92.97 [4.17]	63.49 [5.92]	36.05 [11.08]
4.	RCI Industries & Technologies Limited	11.52	40.00	January 21, 2014	41.00	-8.02 [-3.36]	6.31 [7.12]	-2.76 [21.01]
5.	B.C. Power Controls Limited	10.36	18.00	March 14, 2014	17.15	1.10 [3.10]	1.10 [17.27]	2.21 [24.06]
6.	Starlit Power Systems Limited	2.95	18.00	October 22, 2014	18.10	-3.96 [5.78]	-17.68 [7.46]	-33.51[4.10]
7.	JLA Infraville Shoppers Limited	2.00	10.00	November 12, 2014	11.05	5.17 [-2.35]	68.97 [1.24]	72.84 [-1.79]
8.	Akme Starhousing Finance Limited	4.80	30.00	March 20, 2015	32.00	-3.94 [-1.33]	6.14 [-4.05]	11.81 [-8.10]
9.	Mahabir Metallex Limited	3.90	10.00	March 27, 2015	10.30	22.77 [-1.03]	21.78 [1.59]	2.97 [-5.96]

10.	Pecos Hotels And Pubs Limited	2.29	50.00	August 11, 2015	56.00	-4.69 [-8.05]	-6.10 [-6.26]	7.14 [-12.84]
11.	Shaival Reality Limited	5.28	100.00	October 01, 2015	100.50	-0.50 [6.06]	0.00 [4.02]	0.00 [0.08]
12.	Ahimsa Industries Limited	3.79	25.00	October 15, 2015	26.00	-3.08 [-4.56]	-3.08 [-7.54]	-3.08 [-5.75]
13.	Fourth Dimension Solutions Limited	8.68	30.00	January 22, 2016	31.80	107.78 [-2.53]	94.44 [6.60]	-
14.	Hi-Tech Pipes Limited	13.65	50.00	February 25, 2016	60.00	2.55 [9.25]	65.11[13.83]	-
15.	Wealth First Portfolio Managers Limited	8.40	50.00	March 30, 2016	52.00	-4.85[1.48]	-	-
16.	HEC Infra Projects Limited	5.39	100.00	March 30, 2016	102.00	21.66[1.48]	-	-

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) / [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex/ Nifty is considered as the Benchmark Index
2. Price on BSE/ NSE is considered for all of the above calculations
3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day (trading holiday), closing price on BSE/ NSE of the next trading day has been considered
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day there is no trade then the closing price of the next day when trading has taken place has been considered

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPOs	Total funds raised (Rs. In. Cr)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
12-13	1	12.21	-	-	-	-	-	1	-	-	-	-	1	-
13-14	4	34.39	-		2	1		1	-	-	2	-	1	1
14-15	4	13.65	-	-	2	-	-	2	-	1	-	1	-	2
15-16	7*	47.48	-	-	4	1	-	2	-	-	1	-	-	1

\*Following points to be noted:

- The shares of Shaival Reality Limited were trading at par on its 180<sup>th</sup> calendar day.
- The fields left blank in Table 1 indicates that the shares of respective companies have not reached the consequent milestones.