



## GENIUS CONSULTANTS LIMITED

Our Company was incorporated as 'Genius Consultants Private Limited' on July 27, 1993, as a private limited company under the Companies Act, 1956 ("Companies Act 1956"), at Kolkata, with a certificate of incorporation granted by the Registrar of Companies, West Bengal at Kolkata ("RoC"). Subsequently, pursuant to a resolution dated September 24, 1999 of our shareholders, our Company's name was changed to "Genius Consultants Limited" and the RoC issued a fresh certificate of incorporation consequent upon change in name on conversion to a public company on October 14, 1999. For details of changes in the registered office of our Company, see "History and Certain Corporate Matters" on page 122.

Corporate Identity Number: U74140WB1993PLC059586

Registered and Corporate Office: Synthesis Business Park, Tower 1 C, First Floor, CBD/1, Action Area II New Town, Kolkata 700 157, West Bengal, India

Tel: +91 33 6607 5801, Fax: +91 33 6607 5802

Contact Person: Indrajit Poddar, Company Secretary and Compliance Officer Tel: +91 33 6607 5801

E-mail: cs@geniusconsultant.com Website: www.geniusconsultant.com

### OUR PROMOTERS: MR. RAJENDRA PRASAD YADAV AND MS. REETA YADAV

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF GENIUS CONSULTANTS LIMITED ("OUR COMPANY" OR "THE COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 1.700 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 1,000,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY RAJENDRA PRASAD YADAV (THE "SELLING SHAREHOLDER") ("OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE "BRLMs") AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED BENGALI DAILY NEWSPAPER, BENGALI BEING THE REGIONAL LANGUAGE OF KOLKATA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED (THE "BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

### THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs, and at the terminals of the Syndicate members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), the Registered Brokers, Collecting Registrar and Share Transfer Agents ("CRTAs") and Collecting Depository Participants ("CDPs").

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), the Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("Anchor Investor Allocation Price"). Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors ("Non-Institutional Category") and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors ("Retail Category"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Investors (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("ASBA") process, and shall provide details of their respective bank account in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs"). Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 226.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹ 10 and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Offer Price (as determined and justified by our Company and the Selling Shareholder in consultation with the BRLMs, in accordance with SEBI ICDR Regulations, and as stated in "Basis for Offer Price" on page 76) 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 or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 14.

### ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, the Selling Shareholder accepts responsibility for and confirms that the information relating to himself and the Equity Shares being offered by him in the Offer for Sale contained in this Draft Red Herring Prospectus are true and correct in all material aspects and are not misleading in any material respect. The Selling Shareholder, does not assume any responsibility for any other statements including without limitation, any and all of the statements made by or in relation to the Company in this Draft Red Herring Prospectus.

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of this Offer, [●] is the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 296.

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE OFFER

		
<p><b>SBI Capital Markets Limited</b> 202, Maker Tower E, Cuffe Parade Mumbai 400 005, Maharashtra, India Tel: +91 22 2217 8300 Fax: +91 22 2218 8332 E-mail: genius.ipo@sbicaps.com Website: www.sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Contact Person: Janardhan Wagle/ Aditya Deshpande SEBI Registration No.: INM000003531</p>	<p><b>YES Securities (India) Limited</b> IFC Tower 1&amp;2, Unit No. 602A, 6th Floor, Senapati Bapat Marg Elphinstone Road (W), Mumbai 400 013, Maharashtra, India Tel: +91 22 3012 6919 Fax: +91 22 2421 4508 E-mail: genius.ipo@yesscuritiesltd.in Website: www.yesinvest.in Investor Grievance E-mail: igc@yesscuritiesltd.in Contact Person: Mukesh Garg/ Chandresh Sharma SEBI Registration No.: MB/INM000012227</p>	<p><b>Link Intime India Private Limited</b> C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 E-mail: genius.ipo@linkintime.co.in Investor Grievance e-mail: genius.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalakrishnan SEBI Registration No. INR000004058</p>

### BID/OFFER PERIOD

BID/OFFER OPENS ON\*

[●]

BID/OFFER CLOSES ON\*\*

[●]

\* Our Company and the Selling Shareholder, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

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**SECTION I - GENERAL  
DEFINITIONS AND ABBREVIATIONS**

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Unless the context otherwise indicates, all references to “**the Company**” and “**our Company**” are references to Genius Consultants Limited, a company incorporated in India under the Companies Act 1956 with its Registered and Corporate Office situated at Synthesis Business Park, Tower 1 C, 1<sup>st</sup> Floor, CBD/1, Action Area II New Town, Kolkata 700157, West Bengal, India.

**Company Related Terms**

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Associates	The ‘associates’ placed with clients pursuant to our flexi staffing solutions, who are on the payrolls of our Company
Audit Committee	The audit committee of our Board constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act 2013. For details, see “ <b>Our Management – Board Committees</b> ” on page 135
Auditors/ Statutory Auditors	The statutory auditor of our Company, being Walker Chandiook & Co. LLP, Chartered Accountants
Board/ Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
CRISIL	CRISIL Limited
CRISIL Report / CRISIL Report March 2018	Report titled “ <i>Staffing Industry in India</i> ”, dated March 2018, prepared by CRISIL Limited
Director(s)	The director(s) on our Board
Equity Shares	The equity shares of our Company having a face value of ₹10 each
Group Companies	The group companies of our Company, as covered under the applicable accounting standards and other companies as considered material by our Board in terms of the Materiality Policy and described in “ <b>Our Promoters, Promoter Group and Group Companies</b> ” on page 143
Hathway	Hathway Cable and Datacom Limited
HR Solutions	The human resources solutions provided by our Company and includes permanent and flexi staffing solutions, payroll processing, compliance management, background checks and verification services and HRMS, collectively
IPO Committee	The IPO committee of our Board constituted to facilitate the process of the Offer. For details, see “ <b>Our Management – Board Committees</b> ” on page 135
KMP/ Key Managerial Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act 2013 and as described in “ <b>Our Management</b> ” on page 128
Materiality Policy	The policy adopted by our Board by its resolution dated January 4, 2018 for identification of Group Companies, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations
MoA/Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act 2013. For details, see “ <b>Our Management – Board Committees</b> ” on page 135
PF Trust	Genius Consultants Employees Provident Fund, the provident fund trust of our Company. For details, see “ <b>Our Business</b> ” on page 104
Professionals	The ‘professionals’ or persons recruited for and placed with our clients pursuant to our permanent staffing solutions
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations and as disclosed in “ <b>Our Promoters, Promoter Group and Group Companies – Our Promoter Group</b> ” on page 144
Promoters	The promoters of our Company, namely Mr. Rajendra Prasad Yadav and Ms. Reeta Yadav
Registered and Corporate Office	The registered and corporate office of our Company, situated at Synthesis Business Park, Tower 1 C, 1st Floor, CBD/1, Action Area II New Town, Kolkata 700 157, West Bengal, India

Term	Description
Restated Financial Statements	The restated audited financial statements of our Company comprising the restated summary statements of assets and liabilities as at December 31, 2017 and March 31, 2017, 2016, 2015, 2014 and 2013; and the restated summary statement of profit and loss and restated summary statement of cash flows for the nine months ended December 31, 2017 and fiscals 2017, 2016, 2015, 2014 and 2013, each prepared in accordance with generally accepted accounting principles in India and the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the ICAI, together with the schedules, notes and annexures thereto
Selling Shareholder	Mr. Rajendra Prasad Yadav
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see " <i>Our Management – Board Committees</i> " on page 135

## Offer Related Terms

Term	Description
Acknowledgment Slip	The slip or document issued by the Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotted/Allotment/Allot	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholder pursuant to the Offer for Sale to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Escrow Account	Account opened with Escrow Collection Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which allocation is done to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Allocation Price shall be determined by our Company and the Selling Shareholder, in consultation with the BRLMs
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Offer Opening Date on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Category, which may be allocated by our Company and Selling Shareholder in consultation with the BRLMs, to Anchor Investors, on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation price
Application Supported by Blocked Amount/ASBA	The application (whether physical or electronic) by a Bidder (other than Anchor Investors) to make a Bid authorizing the relevant SCSB to block the Bid Amount in the relevant ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than a Bid by an Anchor Investor)
ASBA Form	An application form, whether physical or electronic, used by Bidders bidding through the ASBA process, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer /Escrow Collection Bank(s)	The bank(s) which is/are clearing members and are registered with the SEBI as an escrow bank, with whom the Anchor Escrow Account(s) in relation to the Offer for Bids by Anchor Investors will be opened, in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in " <i>Offer Procedure</i> " on page 226
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder (other than an Anchor Investor), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to subscribe for or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form

<b>Term</b>	<b>Description</b>
Bid Amount	The highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus, including ASBA Form
Bid Lot	[●] Equity Shares
Bid/Offer Closing Date	Except in relation to Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids in the Offer, Our Company in consultation with the BRLMs, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, subject to the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids in the Offer,
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied and includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process as described in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/BRLMs	SBICAP and YES Securities
Broker Centres	Broker centres of the Registered Brokers, where Bidders (other than Anchor Investors) can submit the ASBA Forms. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof
Cash Escrow Agreement	Agreement to be entered into among our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank and Refund Bank for collection of the Bid Amounts and where applicable remitting refunds, if any, to the Bidders, on the terms and conditions thereof
Client ID	Client identification number of the Bidder's beneficiary account
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act and registered under Section 12 (1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar to an issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Companies Act	The Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act
Cut-off Price	The Offer Price, finalised by our Company and the Selling Shareholder, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	The details of the Bidders including the Bidders' address, names of the Bidders' father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI ( <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> ) and updated from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time

Term	Description
Designated Date	The date on which the funds from the Anchor Escrow Accounts are transferred to the Public Offer Account or the Refund Account(s), as appropriate, and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, to the Public Offer Account and/or unblocked, as applicable, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC and finalisation of the Basis of Allotment
Designated Intermediaries	Collectively, the members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and CRTAs, who are authorised to collect ASBA Forms from the Bidders (other than Anchor Investors), in relation to the Offer
Designated RTA Locations	Such centres of the CRTAs where Bidders (except Anchor Investors) can submit the ASBA Forms. The details of such Designated RTA Locations, along with the names and contact details of the CRTAs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated March 29, 2018 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares
First/Sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bidders, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, and any revisions thereof, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Fresh Issue	Fresh issue of [●] Equity Shares aggregating up to ₹ 1,700 million to be issued by our Company as part of the Offer, in terms of the Red Herring Prospectus and Prospectus
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by SEBI and included in “ <i>Offer Procedure</i> ” on page 226
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
Minimum Promoters’ Contribution	Aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters, provided towards, minimum promoters’ contribution and locked-in for a period of three years from the date of Allotment, pursuant to Regulation 36(a) of SEBI ICDR Regulations
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or [●] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received from Mutual Funds at or above the Offer Price
Net Proceeds	Proceeds of the Offer that will be available to our Company, i.e., gross proceeds of the Fresh Issue, less Offer Expenses to the extent applicable to the Fresh Issue
Non-Institutional Category	The portion of the Offer, being not less than 15% of the Offer or [●] Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received from Non-Institutional Investors at or above the Offer Price
Non-Institutional Investors/NIIs	All Bidders, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Offer	Public issue of up to [●] Equity Shares for cash at a price of ₹ [●] each aggregating to ₹ [●] million comprising the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated March 28, 2018 entered into among our Company, the Selling Shareholder and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	Offer of up to 1,000,000 Equity Shares aggregating to ₹ [●] million, to be offered for sale/transfer by the Selling Shareholder as part of the Offer, in terms of the Red Herring Prospectus and the Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process by our Company and the Selling Shareholder, in consultation with the BRLMs in terms of the Red Herring Prospectus on the Pricing Date.
Price Band	Price band of the Floor Price of ₹ [●] and a Cap Price of ₹ [●], including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholder in consultation with the BRLMs, and advertised in [●] editions of [●], (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national

<b>Term</b>	<b>Description</b>
	daily newspaper), and [●] editions of [●] (a widely circulated Bengali daily newspaper, Bengali being the regional language of Kolkata, where our Registered and Corporate Office is located) at least five Working Days prior to the Bid/Offer Opening Date
Pricing Date	The date on which our Company and the Selling Shareholder in consultation with the BRLMs, shall finalize the Offer Price
Prospectus	The Prospectus to be filed with the RoC in respect of this Offer on or after the Pricing Date in accordance with the provisions of Sections 26 and 32 of the Companies Act 2013 and the SEBI ICDR Regulations, containing complete particulars in relation to the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The account(s) to be opened with the Banker(s) to the Offer under Section 40(3) of the Companies Act 2013 to receive monies from the Anchor Escrow Account(s) and the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer, being not more than 50% of the Offer or [●] Equity Shares to be allocated to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received from QIBs at or above the Offer Price
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and which shall be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	Account(s) opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Bidders
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 14, 2012, issued by SEBI
Registrar Agreement	The agreement dated March 27, 2018, entered into among our Company, the Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer	Link Intime India Private Limited
Retail Category	The portion of the Offer, being not less than 35% of the Offer or [●] Equity Shares, available for allocation to Retail Individual Investors, which shall not be less than the minimum Bid Lot, subject to availability in the Retail Category
Retail Individual Investors/ RIIs	Bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Offer is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs bidding in the QIB Category and Non-Institutional Investors bidding in the Non-Institutional Category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage
SBICAP	SBI Capital Markets Limited
Self-Certified Syndicate Banks or SCSBs	The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> ) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholder, our Company and the Share Escrow Agent in connection with the transfer of the Equity Shares being offered by the Selling Shareholder in the Offer for Sale portion of the Offer and credit of such Equity Shares to the demat account of the Allottees
Share Escrow Agent	[●]
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which will be included in the Bid cum Application Form
Stock Exchanges	BSE and NSE
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, our Company, the Selling Shareholder and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being [●]
Syndicate or members of the Syndicate	Collectively, the BRLMs and the Syndicate Members

Term	Description
Systemically Important Non-Banking Financial Companies	A non-banking financial company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per its last audited financial statements
Underwriters	[•]
Underwriting Agreement	The agreement to be entered into among our Company, the Selling Shareholder and the Underwriters, to be entered into on or after the Pricing Date
Working Day(s)	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in India are open for business, provided however, for the purpose of the announcement of the Price Band and the Bid/Offer Period, "Working Days" shall mean all days, excluding Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai, India are open for business; and with reference to the period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016
YES Securities	YES Securities (India) Limited

### Conventional and General Terms and Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative Investment Funds
AS 18	Accounting Standard 18 issued by the Institute of Chartered Accountants of India
Bn/bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I FPIs	FPIs registered as category I FPIs under the SEBI FPI Regulations
Category II FPIs	FPIs registered as category II FPIs under the SEBI FPI Regulations
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBI	Central Bureau of Investigation
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code	Code of Civil Procedure, 1908
CLRA Act	The Contract Labour (Regulation and Abolition) Act, 1970
Companies Act	Companies Act 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act 2013, as applicable
Companies Act 1956	Companies Act 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The extant consolidated FDI Policy, issued by the DIPP, and any modifications thereto or substitutions thereof, issued from time to time (currently, the Consolidated FDI Policy effective from August 28, 2017)
Copyright Act	Copyright Act, 1957
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's identity number
EBITDA	Earnings before interest, tax, depreciation and amortization
E-commerce	Electronic commerce
EGM	Extraordinary general meeting
EPF	Employees' Provident Fund
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ER Act	Equal Remuneration Act, 1976
ESI Act	Employees' State Insurance Act, 1948
Euro/ EUR	Euro, the official single currency of the participating member states of the European Economic and Monetary Union of the Treaty establishing the European Community

<b>Term</b>	<b>Description</b>
Factories Act	Factories Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
Financial year/fiscal/ fiscal year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
Gratuity Trust	Genius Consultants Ltd. Employees' Group Gratuity Fund', a trust established pursuant to a deed dated September 13, 2002 and amended by a deed of amendment to the trust dated February 21, 2018, for establishing a group gratuity scheme for providing gratuity benefits to employees retiring or on termination of service after a minimum period of time
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies Act 2013 and Companies (Indian Accounting Standard) Rules, 2015
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
IPO	Initial public offering
IRDA Investment Regulations	Insurance Regulatory and Development Authority (Investment) Regulations, 2000
IT	Information technology
ITeS	Information technology enabled services
KYC	Know your customer
MAT	Minimum alternate tax
Maternity Benefit Act	The Maternity Benefit Act, 1961
MCA	The Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
Minimum Wages Act	The Minimum Wages Act, 1948
MoSPI	Ministry of Statistics and Programme Implementation, Government of India
MoLE	The Ministry of Labour and Employment, Government of India
Mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net Asset Value
NI Act	Negotiable Instruments Act, 1881
Notified Sections	The sections of the Companies Act 2013 that have been notified by the MCA and are currently in effect
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRE accounts	Non-Resident External accounts
NRI	Non-Resident Indian
NRO accounts	Non-Resident Ordinary accounts
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
ODI	Overseas Direct Investment
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
Payment of Bonus Act/Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act/Gratuity Act	Payment of Gratuity Act, 1972
Payment of Wages Act	The Payment of Wages Act, 1936
PF	Provident fund

<b>Term</b>	<b>Description</b>
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC or Registrar of Companies	The Registrar of Companies, West Bengal located at Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata 700 020, West Bengal, India
RoNW	Return on Net Worth
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SHWPPR Act	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
STT	Securities transaction tax
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TM Act	Trademarks Act, 1999
TDS	Tax deduction at source
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	United States Securities Act of 1933
U.S./ US/ USA/ United States	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

### Industry Related Terms

<b>Term</b>	<b>Description</b>
ADT	Annual divisional training
BFSI	Banking, financial services and insurance
CSO	Central statistical office
CTC	Cost to the company
FMS	Facility management services
FMCG	Fast moving consumer goods
HR	Human resources
HR BPO	Human resources business process outsourcing
HRMS	Human resources management services
NBOT	Necessity based operations training
NSSO	National Sample Survey Office
OPSET	Operational skill enhancement training
RMS	Recruitment management solutions
RPO	Recruitment process outsourcing
SAAS	Software as a service
SET	Self enhancement training
SLA	Service level agreement

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act 1956, as superseded and substituted by notified provisions of the Companies Act 2013 (together the “**Companies Act**”), the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”), the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Regulations and Policies in India*”, “*Financial Information*”,

***“Outstanding Litigation and Material Developments”*** and ***“Part B”*** of ***“Offer Procedure”***, will have the meaning ascribed to such terms in these respective sections.

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

### **Certain Conventions**

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India and “U.S.” are to the United States of America.

### **Financial Data**

Unless indicated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our restated audited financial statements comprising the restated summary statements of assets and liabilities as of December 31, 2017 and March 31, 2017, 2016, 2015, 2014 and 2013; and the restated summary statement of profits and loss and restated summary statement of cash flows for the nine months ended December 31, 2017 and fiscals 2017, 2016, 2015, 2014 and 2013 prepared in accordance with the generally accepted accounting principles in India (the “**Indian GAAP**”) and the relevant provisions of the Companies Act and the rules framed thereunder in force, at the time of adoption of financial statements, and restated in accordance with the SEBI ICDR Regulations and the ‘Guidance Note on Reports in Company Prospectuses (Revised 2016)’ issued by the Institute of Chartered Accountants of India (“**ICAI**”) (the “**Restated Financial Statements**”) and included elsewhere in this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular financial year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “**IFRS**”) and the Generally Accepted Accounting Principles in the United States of America (the “**U.S. GAAP**”). Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI ICDR Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

On February 16, 2015, the Ministry of Corporate Affairs, Government of India (“**MCA**”) issued the Companies (Indian Accounting Standards) Rules, 2015 (“**Ind AS Rules**”) for the purpose of enacting changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The Ind AS Rules provide that the financial information of the companies to which they apply shall be prepared and audited in accordance with the IndAS, although any company may voluntarily implement IndAS for the accounting period beginning from April 1, 2015. For details, see, “***Risk Factors- Our Restated Financial Statements included in this Draft Red Herring Prospectus have been prepared in accordance with the Companies Act, Indian GAAP and the SEBI ICDR Regulations, which vary in certain respects from Ind AS.***” on page 23.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subjected to rounding adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in their respective sources.

### **Industry and Market Data**

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been derived from certain industry sources. Industry publications generally state that the information contained in such publications has been obtained from sources generally believed to be reliable, but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly,

no investment decisions should be made based on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholder, the BRLMs, or any of our or their respective affiliates or advisors, and none of these parties makes any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon 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 market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in ***“Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate”*** on page 27.

Additionally, we have commissioned a report titled *“Staffing Industry in India”*, dated March 2018, prepared by CRISIL Limited (**“CRISIL”** and such report, the **“CRISIL Report”**), for the purpose of confirming our understanding of the industry in connection with the Offer. In this regard, CRISIL, has issued the following disclaimer:

*“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Genius Consultants Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.”*

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

All references to **“Rupees”** or **“₹”** or **“Rs.”** are to Indian Rupees, the official currency of the Republic of India. All references to **“US\$”**, **“U.S. Dollar”**, **“USD”** or **“U.S. Dollars”** are to United States Dollars, the official currency of the United States.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents ‘10 lakhs’ or 1,000,000. Further, one billion represents ‘1,000 million’ or ‘1,000,000,000’. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

### **Exchange Rates**

This Draft Red Herring Prospectus contains conversions of U.S. Dollars and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates of certain currencies used in this Draft Red Herring Prospectus into Indian Rupees are provided below.

(in ₹)

<b>Currency</b>	<b>Exchange Rate as on December 29, 2017*</b>	<b>Exchange rate as on March 31, 2017</b>	<b>Exchange rate as on March 31, 2016</b>	<b>Exchange rate as on March 31, 2015</b>	<b>Exchange rate as on March 28, 2014**</b>	<b>Exchange rate as on March 28, 2013***</b>
1 USD	63.93	64.84	66.33	62.59	60.10	54.39

Source: RBI Reference Rate

\* Exchange rate as on December 29, 2017 as RBI Reference Rate is not available for December 31, 2017 and December 30, 2017, being Sunday and Saturday, respectively

\*\* Exchange rate as on March 28, 2014 as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014, being a public holiday, Sunday and Saturday, respectively

\*\*\* Exchange rate as on March 28, 2013 as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014, being Sunday, Saturday and public holiday, respectively

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements include statements which can generally be identified by words or phrases such as “*aim*”, “*anticipate*”, “*believe*”, “*expect*”, “*estimate*”, “*intend*”, “*likely to*”, “*objective*”, “*plan*”, “*project*”, “*propose*”, “*will continue*”, “*seek to*”, “*will pursue*” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans, prospects or goals are also forward looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our business and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that would cause actual results to differ materially include, including, but not limited to:

- dependency on a limited number of clients for a significant portion of our revenues;
- loss of one or more of our major clients, significant reduction in the demand for our services from such clients or a deterioration in their financial condition;
- inability to recruit, train and retain qualified and experienced temporary personnel to meet the manpower requirements of our clients;
- inability to compete successfully against existing or new competition since we operate in a highly competitive and fragmented industry with low barriers to entry;
- inability to manage our growth and business diversification initiatives leading to disruption of our operations and adversely affecting our business and growth strategies and future financial performance;
- inability to collect receivables from our clients in a timely manner or at all;
- varying revenues and profitability across our business verticals;
- exposure to significant employee related risks and claims due to employment of large workforce;
- reputation being dependent upon the performance of our Associates; and
- impersonation of our trade names by third parties and consequent negative publicity of our trade name.

For a further discussion of factors that could cause our actual results to differ, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 14, 104 and 181, respectively. 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 be materially be different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as the statement based on them could prove to be inaccurate.

Neither our Company, Directors nor the Selling Shareholder, nor the Syndicate, 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 applicable SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Offer. The Selling Shareholder will ensure that Bidders in India are informed of material developments in relation to the statements relating to and undertakings confirmed or given by the Selling Shareholder in relation to the himself or the Equity Shares offered by him in the Offer for Sale in the Red Herring Prospectus until receipt of final listing and trading approvals from the Stock Exchanges. We cannot assure prospective investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned from placing undue reliance on such forward-looking statements as a guarantee of future performance.

## 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 Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described below are not the only ones relevant to us or the Equity Shares, the industry in which we operate or India. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business, results of operations, financial condition and prospects. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer, including the merits and the risks involved. If any of the risks described below or other risks that are currently not known actually occur, our business, results of operations, financial condition and prospects could be adversely affected, the trading price of the Equity Shares could decline, and prospective investors may lose all or part of their investment.*

*You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares. Prospective investors should read this section in conjunction with the other sections of this Draft Red Herring Prospectus, in particular the sections “**Our Business**”, “**Industry Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**”, as well as the financial information included in the section “**Financial Information**”.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Statements.*

### **Internal Risk Factors**

- 1. We depend on a limited number of clients for a significant portion of our revenues. The loss of one or more of our major clients, significant reduction in the demand for our services from such clients or deterioration in their financial condition may adversely affect our business, financial condition, result of operations and cash flows.***

While revenues earned from any client varies for different reporting periods, primarily on account of the number of Associates we place with them, historically, a significant proportion of our revenues have been derived from a limited number of clients. Our top three clients contributed to 25.27%, and 23.57% of our total revenues for the nine months ended December 31, 2017 and fiscal 2017, respectively. Further, our 10 largest clients, for the nine months ended December 31, 2017 and fiscals 2017, 2016 and 2015 contributed to approximately 37.91%, 37.88%, 32.50% and 29.51% of our total revenue, respectively. The loss of any of these major clients or reduced demand from them for our services could materially and adversely impact our results of operations and financial condition.

Our large clients may also unilaterally terminate their contracts with us, on short notice and at their discretion. Further, contracts with our clients are typically valid for a period of one year and there can be no assurance that our clients will renew such contracts when they expire. Additionally, our clients have flexibility under the terms of our flexi staffing contracts to reduce the number of Associates placed by us. Accordingly, reduced demand for our Associates or, pricing and/or margin pressures by major clients could result in reduced revenue from such clients. In addition, our contracts are typically non-exclusive in nature and there is no assurance that we will be able to retain our large clients. We cannot assure you that our major clients will not terminate their arrangements with us or significantly change the terms of, reduce or delay execution or renewal of their contracts with us, any of which would reduce our revenues.

We derive a significant portion of our revenues from our manpower recruitment and outsourcing activities, primarily, flexi staffing solutions. For the nine months ended December 31, 2017 and fiscals 2017, 2016, 2015, flexi staffing solutions formed 95.03%, 95.08%, 96.32% and 96.20% of our revenue from operations, respectively. Any deterioration of the financial condition or business prospects of any of our major clients for our flexi staffing solutions could reduce their need for temporary staffing requirements, and result in a significant decrease in the revenues and earnings we derive from these clients. Further, in certain cases, the receipts from clients come after we pay salaries to the Associates placed with them and the bankruptcy of a major client could have a material adverse impact on our ability to meet our working capital requirements.

Additionally, significant dependence on certain clients may increase the potential volatility of our results of operations, if we do not achieve our expected margins or suffer losses on such contracts.

**2. *Our inability to recruit, train and retain qualified and experienced temporary personnel to meet the manpower requirements of our clients may adversely affect our business prospects, results of operation and financial performance.***

Our business depends on our ability to attract and retain qualified personnel who possess the skills and experience necessary to meet the requirements of our clients. Our business operations and financial performance may be adversely affected if we are unable to find adequate personnel for our manpower recruitment and outsourcing business. In addition, we must continually evaluate and upgrade our database of available qualified personnel through recruitment and training programs to keep pace with changing client needs and emerging technologies. Competition for individuals with proven professional skills and experience is intense, and we expect demand for such individuals to remain strong in the foreseeable future. Currently we have the experience of placing non-IT staff in the IT industry and we intend to leverage our current experience of placing non-IT staff in the IT industry to place core IT personnel, which involves placement of skilled personnel. The placement of skilled IT personnel depends upon our ability to attract, develop, motivate and retain skilled IT personnel. Qualified personnel may not be available to us in adequate numbers and on terms of employment acceptable to us. We may not be able to effectively meet the expectations of our clients due to our failure to identify personnel with the requisite skills, experience or other attributes, and our training programs may not succeed in developing effective skills in a timely manner or at all. In addition, our manpower recruitment and outsourcing business, which contributed to 97.91%, 97.82%, 97.51% and 97.06% of our revenue from operations for the nine months ended December 31, 2017 and fiscals 2017, 2016 and 2015, respectively, primarily includes the placement of individuals seeking employment through us, both on a permanent as well as temporary basis.

Further, typically, candidates utilise multiple resources to seek temporary or regular positions, which may include our competitors. There can be no assurance that candidates for employment will continue to seek employment through us. Any shortfall in qualified personnel could materially and adversely affect our business prospects. The rate at which we utilize our Associates is affected by a number of factors, including our ability to transition such Associates from completed contracts to new assignments and to hire and assimilate new Associates in the locations where we operate; our ability to manage attrition; our need to devote time and resources to training, business development, professional development and other non-chargeable activities; and our ability to manage our workforce. As a result, our profitability could suffer if we are not able to maintain adequate manpower to meet the requirements of our existing and future contracts.

**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 competition.***

We operate in an industry which is highly competitive and fragmented and we compete with a range of organized and unorganized players, both on the national and regional level. Further, while we have an expanding portfolio of services requiring us to allocate resources across these verticals, our competitors may have the advantage of focussing on one or fewer product verticals. Further, we compete against listed companies such as Team Lease and Quess Corp, which may have greater access to financial, technical and marketing resources and expertise available to them than us in the products and services that compete against them. Additionally, we face competition from other established national players such as Innovsource Private Limited and Needs Manpower and as well as global players with a presence in India such as Adecco India and Randstad India.

Further, industry consolidation may affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we compete. Our competitors may further affect our business by entering into exclusive arrangements with our existing or potential clients. There can be no assurance that we will be able to compete successfully against such competitors or that we will not lose our key core employees, Associates or clients to such competitors. Additionally, we believe that our ability to compete also depends in part on factors outside our control, such as the availability of skilled resources, pricing pressures in the staffing industry and the extent of our competitors' responsiveness to their clients' needs. Our business may also be affected should our present or prospective clients choose to utilise their internal workforce or rely on independent contractors or local recruitment agencies in the organised segment for meeting their manpower requirements. Our continued success depends on our ability to compete effectively against our existing and future competitors. With the potential entry of new competitors, given the low entry barriers in the industry where we operate, 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 we will, in light of competitive pressures, be able to effectively compete with our competition in the various product and service segments we operate in, whether on the basis of pricing, quality or range of services or otherwise, which could have a material adverse effect on our business, results of operations and financial condition.

**4. Our inability to manage our growth and business diversification initiatives may disrupt our operations and adversely affect our business and growth strategies and future financial performance.**

We have experienced significant growth in recent years and expect our business to further grow as a result of our focus on client acquisition, business development and increasing our presence in specified product markets and industries. For instance, we intend to increase penetration in placing non-IT skilled Associates and foray into placement of IT-skilled Associates, facility management services (“FMS”), HR BPO and security services, which we believe are relatively high margin businesses compared to the permanent and flexi staffing solutions, which contribute significantly to our revenue at present. We also seek to expand into new industries such as the banking, financial services and insurance (“BFSI”) and logistics industries. This exposes us to a several risks, including business, operational, regulatory and legal risks as well and an increased exposure to incidence of fraud.

These strategic initiatives may require significant capital and other resources, as well as management attention, which could place a burden on our resources and abilities. Our diversification into some of these business verticals is at a nascent stage and we may not be able to properly assess the risks, economic viability and prospects of business opportunities in such verticals. As a result, we may not be successful in developing these businesses to the extent of and in accordance with our expectations and business strategies and there can be no assurance relating to any revenues from or profitability of such strategies we intend to pursue.

**5. Our Company, our Promoters and certain of our Directors are involved in certain disputes and/or legal proceedings, which, if determined adversely, may affect our reputation, business and financial condition**

In the ordinary course of business our Company, Directors and Promoters are involved in certain disputes and legal proceedings that are pending varying levels of adjudication before various fora. The summary of outstanding matters set forth below includes details of criminal proceedings, tax disputes, statutory and regulatory actions and other material outstanding litigation involving our Company, Promoters and Directors. In terms of our Materiality Policy, any outstanding litigation, other than criminal proceedings, statutory and regulatory actions and tax disputes, will be considered material if the amount involved in such proceeding is in excess of ₹ 1.97 million or if an adverse outcome in any such litigation could materially and adversely affect our business, prospects, operations, reputation or financial condition.

S. No.	Entity	Criminal Proceedings	Tax Proceedings	Statutory/Regulatory Proceedings	Material Civil Litigation	Aggregate amount involved (₹ in million)
1.	<i>Company</i>					
	Against our Company	-	1	8	1	30.59
	By our Company	7	-	-	-	1.84*
2.	<i>Directors</i>					
	Against our Directors	-	-	-	-	-
	By our Directors	-	1 <sup>#</sup>	1 <sup>*</sup>	-	0.07*
3.	<i>Promoters</i>					
	Against our Promoters	-	1	1	-	-
	By our Promoters	-	-	-	-	-

\* Includes litigation instituted by the Office of the Assistant Labour Officer, Kanpur 1<sup>st</sup> Circle, involving our Promoter, Mr. Rajendra Prasad Yadav and our Company

<sup>#</sup> Includes litigation instituted by the Income Tax Department, Ministry of Finance, Government of India, involving our Promoter, Ms. Reeta Yadav

We cannot assure you that any of the outstanding material litigation matters will be settled in our favour or in favour of our Company, as applicable, or that no additional liability will arise out of these proceedings.

For further details on litigation involving our Company, Promoters and Directors, see “*Outstanding Litigation and Material Developments*” on page 199.

**6. *If we are unable to collect our receivables from our clients in a timely manner or at all, our results of operations and cash flows could be adversely affected.***

Our business depends on our ability to successfully obtain payment from our customers for services provided. As of December 31, 2017 and March 31, 2017, we had receivables of ₹ 520.30 million and ₹ 602.37 million, respectively, which represented 29.94% and 42.53%, respectively, of our total assets as of such date. Under the terms of our contracts with our ‘pay and collect’ clients, i.e., where we first make monthly payments to our Associates (including their salaries and other employee benefits payable to them) and are subsequently reimbursed by our clients, we typically extend a credit period of 30 to 45 days. We also maintain provisions against receivables and unbilled services. However, our clients may default in making timely payments to us and actual losses on client balances could differ from those that we currently anticipate and as a result we might need to make adjustments to our provisions. Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our clients, resulting in delayed or default in payments and request for modifications to their payment arrangements, any or all of which could increase our receivables balance or working capital requirements. We have initiated and are presently involved in two legal proceedings wherein our clients have defaulted in reimbursing payments made by us to our Associates on their behalf, for amounts aggregating to ₹ 0.73 million. There can be no assurance that we will be successful in recovering such amounts from these clients. An increase in such instances would materially and adversely impact our future revenues, working capital estimations and our financial condition. Recovery of our receivables and timely collection of client balances also depends on our ability to complete our contractual commitments in a timely manner and bill and collect our contracted revenues. If we are unable to meet our contractual requirements in a timely manner, we might experience delays in collection of and/or be unable to collect our client balances, and if this occurs, our results of operations and cash flows could be adversely affected. Further, under the terms of certain of our contracts, any delay on our part to make payments to our Associates would result in us incurring penalties or even forfeiting our service charges in respect of such Associate(s). In addition, any increase in the time taken to bill and collect fee for our services, may also have an adverse impact on our cash flows.

**7. *Our revenues and profitability vary across our business verticals, thereby making our future financial results less predictable.***

Our revenues and profitability vary across our verticals. Our results of operations may fluctuate in the future depending on a number of factors, including but not limited to:

- our ability to increase and/or maintain the proportion of our high-margin business verticals, such as the flexi staffing solutions, compared to the proportion of our relatively thin margin verticals, particularly our background checking and verification vertical;
- entering into new contracts and contract renewals, and the selection process and timing for performing these contracts that are subject to contingencies beyond our control;
- the size, complexity, timing of revenue recognition, pricing terms and profitability of significant contracts;
- changes in our pricing policies or those of our competitors;
- financial condition or business prospects of our clients;
- unanticipated variations in the duration, size and scope of our contracts;
- seasonal changes that may affect the demand for our services, the mix of services or the relative proportion of services revenue from our various business segments within a reporting period; and
- unanticipated cancellations or contract terminations.

As a result of these factors, our results of operations and cash flows may fluctuate from financial reporting period to period. A significant proportion of our operating expenses, particularly full time employee expenses, are fixed. As such, unanticipated variations in key contracts may result in variations in our results of operations in any particular financial period.

**8. *We employ a large workforce and are exposed to significant employee related risks and claims. Any significant disputes with our employees, clients and/or concerned regulators may adversely affect our business prospects, results of operations and financial condition.***

We employed over 50,000 Associates as on February 5, 2018, all of whom are deployed at the workplaces of our clients. Further, we employed 392 core employees as on February 5, 2018. Our ability to control the workplace environment in such circumstances is limited and are exposed to certain risks inherent in managing a large workforce, including actions or inactions by our Associates (including matters for which we may have to indemnify our client), possible discrimination and harassment claims for physical or sexual abuse, and other acts

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

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

**9. *Our reputation is dependent upon the performance of our Associates.***

As a provider of temporary and permanent staffing solutions and other manpower outsourcing services, our reputation is dependent upon the performance of our Associates we place with our clients and the services rendered by such Associates. If our clients become dissatisfied with the performance of our Associates, ‘site implants’ or our account managers or recruitment personnel, or if any such Associates do not perform in accordance with the instructions or standards established by the clients or agreed by us, our reputation and ability to maintain or expand our client base may be adversely affected.

Our business operations, in particular, compliance management and background checks and verifications run the risk of providing inaccurate advisory services. Our success in these verticals is dependent on our reputation for providing quality services, track record of consistent and accurate advisory, and our relationship with our clients. Adverse publicity resulting from an adverse incident could result in a negative perception of our services and the loss of existing or potential clients. Such risks and other unanticipated adverse incidents could also lead to additional regulatory scrutiny and potential liability to third party claims, which could have a material adverse effect on our business prospects, results of operations and financial condition.

For instance, our Company has, in the past, received two notices from Central Bureau of Investigation (“CBI”) requesting information regarding our certain persons placed with public sector enterprises. While our Company has submitted its replies along with the documents requested, any adverse outcome from the proceedings initiated by the CBI against such Associates, may adversely affect our credibility, reputation and business prospects.

**10. *The use of “Genius” or similar trade names by third parties may result in loss of business to such third parties, and any potential negative publicity relating to such third parties may adversely affect our reputation, the goodwill of our brand and business prospects.***

We believe that our trademarks and other proprietary rights have significant value and are important to identifying and differentiating our services from those of our competitors and creating and sustaining demand for our services.

While we have registered our trademark, , the logo appearing on the cover this Draft Red Herring Prospectus is not registered and we have applied for its registration, with the Registrar of Trademarks under class 35. In addition, our Company has also applied to register trademark for HR Excellence logo under class 35. We are yet to receive registration or final approval for use of above stated trademarks from the Registrar of Trademarks. For further information, see “*Government and Other Approvals*” on page 204. However, we cannot guarantee that any of our pending trademark applications will be approved by the applicable governmental authorities. Moreover, even if the applications are approved, third parties may seek to oppose or otherwise challenge these registrations.

We cannot assure you that the steps taken by us to protect our intellectual property rights will be adequate to prevent infringement of such rights by others, including imitation and misappropriation of our brand. Additionally, we cannot assure you that obstacles will not arise as we expand our business and the geographic scope of our promotional and marketing activities. Third parties may assert intellectual property claims against us, particularly

as we expand our business and enter newer industries. Our defense of any claim, regardless of its merit, could be expensive and time consuming and could divert management resources. Successful infringement claims against us could result in significant monetary liability or prevent us from selling some of our products. In addition, resolution of claims may require us to redesign our products, license rights from third parties or cease using those rights altogether. Any of these events could harm our business and cause our results of operations, liquidity and financial condition to suffer.

***11. We may be exposed to risks and costs associated with protecting the integrity and security of our systems as well as our clients' operational and other confidential information.***

We seek to protect our information systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. Critical information systems are used in every aspect of our daily operations, most significantly, in the identification and matching of staffing resources to client assignments and in the customer billing and consultant or vendor payment functions. There may be areas in the systems that have not been properly protected from security breaches and other attacks. Cybersecurity attacks are evolving and could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and corruption of data. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. However, these measures and technology may not always be adequate to properly prevent security breaches. Further our business operations, particularly flexi staffing solutions, involve access of clients' operational and other confidential information by our Associates, and our employees are required to securely handle and transmit confidential information about our clients. There can be no assurance that in the future we will not be subjected to claims relating to abuse of confidential information by our employees or proceedings related to intentional or unintentional exposure of our clients' confidential information. Also, any theft or misuse of information resulting from a security breach could result in, among other things, loss of significant and/or sensitive information, litigation by affected parties, financial obligations resulting from such theft or misuse, higher insurance premiums, governmental investigations, negative reactions from current and potential future clients and poor publicity and any of these could adversely affect our results of operations. In addition, the unavailability of the information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased overhead costs, causing our business and results of operations to suffer.

***12. If we are unable to attract new clients or our existing clients do not renew their contract, the growth of our business and cash flows will be adversely affected.***

To increase our revenue and cash flows, we must regularly add new clients. If we are unable to generate sufficient sales leads through our marketing programs, or if our existing or new clients do not perceive our services to be of sufficiently high value and quality, we may not be able to increase sales and our operating results would be adversely affected. In addition, our existing clients have no obligation to renew their contracts, and renewal rates may decline or fluctuate due to a number of factors, including customers' satisfaction with our services, our prices and the prices of competing service providers. If we fail to sell our services to new customers or if our existing customers do not renew their contracts, our operating results will suffer, and our revenue growth, cash flows and profitability may be materially and adversely affected.

***13. Any errors, defects or disruption in our service or inability to meet expected or agreed service standards may lead to claims, or adversely affect revenues or future business prospects.***

Any errors, defects, or disruptions in service or other performance issues, or inability to meet expected or agreed key performance indicators, may adversely affect our revenues from such contracts, or result in affecting client relationships leading to non-renewal of contracts, or delay or withholding of payments due to us. Further, our clients may bring claims against us, which could lead to provision for doubtful accounts, an increase in collection cycles for accounts receivable or litigation costs. All these factors could adversely affect our business and results of operations. Although we attempt to contractually limit our liability for damages, including consequential damages, we cannot assure you that the limitations on liability will be enforceable in such cases. Although we maintain general liability insurance, including for errors and omissions relating to services provided, there can be no assurance that such insurance coverage will be adequate. Any such occurrence may also result in damage to our reputation and loss of existing and future clients, which could adversely affect our business prospects, results of operations and financial condition.

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

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

15. ***Our business is subject to extensive government regulation and we are required to obtain various approvals and licenses under the provisions of such regulations. Any inability in obtaining or maintaining such approvals or any changes in such regulations may restrict our ability to carry on our operations or result in increased costs that reduce our revenues and earnings.***

The staffing industry in India is subject to several laws and regulations, including the Minimum Wages Act, 1948 (the “**Minimum Wages Act**”), the Employee State Insurance Act, 1948 (“**ESI Act**”), Contract Labour (Regulation and Abolition) Act, 1970 (the “**CLRA Act**”) and the Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 (the “**EPF Act**”), among others, which require us to adhere to certain requirements with respect to our core employees as well as Associates that we place pursuant to our operations. Further, we seek to foray into new business verticals, such as security services, which are also subject to significant regulation. Additionally, any change in laws or government regulations in the future may result in prohibition or further restriction on 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 pass on such increased costs to our clients through an increase in the fees we charge for our products and services in a timely manner or at all. Further, labour laws in India are complex and subject to sporadic change, and non-compliance with any requirements with such statutory requirements may result in penalties, loss of business and damage to our reputation. In particular, a large portion of our Associates comprise unskilled or semi-skilled workers whose wages are significantly influenced by prescribed minimum wage levels. In the event that regional or state level minimum wages are increased by relevant Governmental authorities and we are not immediately made aware of these changes, there could be short periods of time when we could be technically non-compliant with minimum wage rules and regulations, until our clients absorb the increase in wages. For details, see “**Regulations and Policies in India**” on page 119.

We are also required to obtain and maintain various statutory and regulatory permits, certificates and approvals in connection with our existing and proposed business and operations. Certain regulatory permits required for our operations are subject to periodic renewal and, in certain circumstances, require modification from time to time. Further, we are required to rely on our clients’ ability to obtain and maintain registrations under certain labour laws, basis which we are granted relevant approvals, and we cannot assure you that our clients will be successful in obtaining or maintaining such registrations. For instance, while our Company has currently obtained 42 licenses under the CLRA Act for providing contract labour to various clients, we are yet to make applications for such licenses under 38 contracts, which is dependent on our clients obtaining applicable registrations under the CLRA Act. Additionally, we have applied for 36 licenses under the CLRA Act, which are pending approval. There can be no assurance that the relevant authorities will issue or renew any such permits or approvals in time or at all. Any failure or delay in obtaining approvals or noncompliance or failure by us to obtain, maintain or renew the requisite permits or approvals within applicable time or at all may result in interruption of our operations, penal action against us, imposition of fines or penalties or initiating legal proceedings, thereby adversely affecting our business, results of operations and financial condition. Additionally, certain approvals are subject to numerous terms and conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our activities, any of which could adversely affect our business and financial condition. For details of our existing approvals and applications that are pending as on date, see “**Government and Other Approvals**” on page 204.

16. ***Certain of our client contracts can be terminated by our clients without cause and with limited or no notice or penalty, which could negatively impact our revenue and profitability.***

Certain client contracts can be terminated without cause by providing short notice period. Additionally, our contracts with clients particularly from our flexi staffing solutions do not provide any commitment to a specific volume of business or future work. Our business is dependent on the decisions and actions of our clients, and there are a number of factors relating to our clients that are outside our control that might result in the termination of a contract or the loss of a client, including financial difficulties for a client; change in strategic priorities, resulting in a reduced level of spending on staffing solutions; a demand for price reductions; and a change in strategy by moving more work in-house or to our competitors. Therefore, our business may be adversely affected if any of our contracts are terminated by our clients at short notice.

**17. *We incur substantial costs in developing new services, which may not yield benefits in proportion to such costs incurred by us. Further, if we are unable to derive substantial benefit from our efforts in developing new services, our results of operations may be adversely affected.***

We incur substantial costs in developing new services for our clients. We cannot ascertain that our efforts in developing new services have enabled us to achieve tangible benefits in proportion to the costs incurred by us. We may not be able to derive substantial benefit from our efforts in developing new services, or any benefit at all in the future. We cannot assure you that the commercialization of our new services offerings will be profitable. For instance, we are developing a labour law compliance software for commercialisation. We cannot assure you that this software would be successfully commercialised or at all. If we are unable to monetize and/ or sustain our efforts in developing new services, our results of operations may be adversely affected.

**18. *We are dependent on our core employees, including our senior management, and the loss of, or our inability to attract or retain, such persons could adversely affect our business, results of operations and financial condition.***

Our future performance and success depends, to a significant extent, on our ability to attract, train and retain our senior management, and our technical and marketing personnel. Our core management team oversees the day-to-day operations, implementation of strategy and growth of our business and possesses business and technical capabilities that are difficult to replace. For details in relation to the experience of our senior management, see “**Our Management**” on page 128. There is no assurance, however, that these individuals or any other member of our senior management team will not leave us or join a competitor. For instance, one of the senior management persons in the permanent staffing vertical left our Company and commenced a competing business in the past, such instances can have a negative impact on our business in the short term. We cannot assure you that we will be able to retain these core employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. If we lose the service of any of the key executives, we may not be able to effectively manage our current operations and meet our ongoing and future business challenges and this may have a material adverse effect on our business, results of operations, financial condition and cash flows.

Further, our Promoter currently serves as our Chairman cum Managing Director and his experience and vision have played a key role in our success. We cannot assure you that any conflicts of interest will not arise in the future, or that any such conflicts of interest as may arise will be ultimately resolved in our favour, within a reasonable period or at all. Moreover, if our Promoter is unable or unwilling for any reason to continue his present association with us, or to devote as much time to our operations as he has in the past, we may not be able to identify and engage a suitable professional and may not be able to replace him easily, or at all. We cannot assure you that, we will be able to put in place an effective succession plan, should our Promoter, who is a first generation entrepreneur choose to step down. As a result of any such factors, our business, financial condition, results of operations and prospects and, particularly, our brand value, reputation and growth strategy, may be adversely affected.

**19. *Our employee benefits cost is significant and any increase in Indian statutory limits in relation to employee benefits may reduce our profitability.***

We incur significant employee benefit expenses, including workers’ compensation, staff welfare expenses and contribution to provident and other funds. employee benefit expenses constituted the largest component of our total expenses, i.e. ₹ 6,247.58 million, ₹ 7,223.24 million, ₹ 5,726.57 million and ₹ 4,786.19 million or 94.72%, 95.17%, 94.90% and 94.98%, of our total expenses for nine months ended December 31, 2017, Fiscals 2017, 2016 and 2015, respectively. Workers’ compensation costs may increase in the future if states raise benefit levels and

liberalize allowable claims. Our profit margins may get adversely impacted, if we are unable to pass on such costs and cost increases to our clients on a concurrent basis. Unless we are able to continue to increase the efficiency and productivity of our employees, increase in proportion employees with lower experience, or source talent from other low cost sources, employee costs increases in the long term may reduce our profit margins.

**20. *If we are unable to identify inorganic growth opportunities and acquisition targets, our growth strategy, business, financial condition, results of operations and prospects may be adversely affected.***

We seek to grow our business both organically and inorganically. As part of our growth strategy we intend to acquire and manage new HR businesses, particularly in the area of IT-skilled staffing. We have identified a few such opportunities, and are continuously evaluating other projects, including acquisition opportunities, some of which we may realize in the imminent future and which may be material to our business, financial condition or results of operations. Such acquisitions and expansions are capital intensive. We may not be able to identify suitable acquisition candidates or opportunities, negotiate attractive terms for such projects, or expand, improve and augment our existing businesses, including due to high valuations for which we may be unable to secure the necessary financing. If we are not able to successfully identify opportunities to acquire or expand our additional and existing HR businesses or if we face difficulties in the process of developing, acquiring or expanding such operations, our business, financial condition, results of operations and prospects may be materially and adversely affected.

**21. *Our results of operations and ability to grow could be materially affected if we cannot successfully keep pace with technological changes in the development and implementation of our services and solutions.***

We use information technology systems to manage our business operations. Our success depends on our ability to keep pace with technological changes in the development and implementation of our services and solutions. Our business is reliant on a variety of technologies, including those which support employee on-boarding, applicant tracking systems, payroll processing, compliance management, billing, and client data analytics. There is a risk that we may not sufficiently invest in technology or industry developments, or evolve our business with the right strategic investments, or at sufficient speed and scale, to adapt to changes in our market. Our failure to successfully adopt new technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our business, results of operations, cash flows and financial condition. Similarly, from time to time we make strategic commitments to particular technologies and platforms to recruit, manage or support our workforce or business, and there is a risk that they may be unsuccessful. These and similar risks could have a negative effect on our business operations and financial performance.

**22. *An inability to accurately anticipate the cost and complexity of performing work on any fixed price or SLA linked contract undertaken by us may adversely affect our results of operations.***

We negotiate pricing terms for a particular contract utilizing a range of pricing structures and conditions, including personnel and materials contracts, fixed-price contracts, and contracts with features of a mix of such pricing models. Our pricing is dependent on our internal forecasts, which may be based on limited data and could prove to be inaccurate. If we do not accurately estimate the costs and timing for completing our contracts, such contracts could prove unprofitable for us or yield lower profit margins than anticipated. There is a risk that we will under-price our contracts, fail to accurately estimate the costs of performing the work or fail to accurately assess the risks associated with potential contracts. In particular, any increased or unexpected costs, delays or failures to achieve anticipated cost savings, or unexpected risks we encounter in connection with the performance of such contracts, including those caused by factors outside our control, or any failure to complete our contractual obligations at the committed service levels could adversely affect our revenues and profitability.

**23. *Any excess payment made to our Associates may result in irrecoverable losses.***

We occasionally receive stop pay instructions from our clients for our Associates. However, we might have already made the payments to our Associates. Any such excess payments due to any change of instructions from our clients, or as a result of system or human errors, may lead to losses if we are unable to recover such losses from clients or from the relevant Associates.

**24. *We may not be able to perform extensive background checks and verification procedures on our Associates prior to placing them with our clients.***

Given the high volume of Associates that we employ each month, and the quality of sufficiently reliable information being unavailable in some cases, we may not be able to perform extensive background check and verification procedures on each of our Associates. Our inability to perform these procedures could result in insufficient vetting of our Associates, which could in turn result in an adverse effect on our reputation, results of operations and business prospects if such Associates are engaged in illegal or fraudulent activities during the course of their employment.

**25. *Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations in the manner we desire.***

As of February 28, 2018, our gross outstanding indebtedness totalled ₹ 80.23 million, comprising working capital facilities availed by our Company. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness are at variable interest rates;
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and
- we may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions. These financing agreements also require us to maintain certain financial ratios like debt equity ratio. Typically, restrictive covenants under our financing documents relate to availing of any borrowing and creation of fresh charge on our assets; issuing of personal guarantees by the Promoters, Promoter-Directors, guarantors; use of loan proceeds for purposes other than as permitted under the relevant sanction letter(s); and reduction/ change in Promoter shareholding/ change in Promoter directorship resulting in change in management control.

A failure to observe the restrictive covenants under our financing agreements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. For further details, see “**Financial Indebtedness**” on page 197.

Any of these circumstances could adversely affect our business, credit rating, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

**26. *Our Restated Financial Statements included in this Draft Red Herring Prospectus has been prepared in accordance with the Companies Act, Indian GAAP and the SEBI ICDR Regulations, which vary in certain respects from Ind AS.***

The MCA issued the IndAS through press notes dated January 22, 2010, read with the Companies (Indian Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015, effective April 1, 2015, public companies in India (except banking companies, insurance companies and non-banking financial companies) are required to adopt IndAS, effective from: (i) accounting period beginning on or after April 1, 2016 (with comparatives for the period ending March 31, 2016 or thereafter), for companies with net worth of ₹ 5,000 million or more; and (ii) accounting periods beginning on or after April 1, 2017 (with comparatives for the period ending March 31, 2017 or thereafter) for listed or to-be-listed companies (i.e. whose equity and/or debt securities

are listed or are in the process of being listed on any stock exchange in or outside India) with net worth less than ₹ 5,000 million and unlisted companies with net worth between ₹ 2,500 million and ₹ 5,000 million. These requirements also apply to any holding company, subsidiary, joint venture or associate companies of such companies. Accordingly, for statutory reporting purposes under the Companies Act, our annual and interim financial statements will be required to be reported under IndAS for accounting periods commencing on or after April 1, 2017. Pursuant to a SEBI circular dated March 31, 2016, with respect to financial information to be included in any offer document filed with the SEBI on or after April 1, 2017 and until March 31, 2018, the Company has chosen to prepare its Restated Financial Statements for the preceding five fiscals and the nine months ended December 31, 2017 included in this Draft Red Herring Prospectus in accordance with the Companies Act and the Indian GAAP and restated in accordance with the SEBI ICDR Regulations. Our financial statements reported under IndAS in future accounting periods may not be directly comparable with our financial statements historically prepared under Indian GAAP, including those disclosed in this Draft Red Herring Prospectus. Accordingly, our Restated Financial Statements included in this Draft Red Herring Prospectus may not form an accurate basis to consider the accounting policies and financial statements adopted by our Company for future periods, which may differ materially from our Restated Financial Information.

We cannot assure you that the adoption of IndAS will not affect our reported results of operations or cash flows. Further, we may be required to retrospectively apply IndAS to our historical financial statements, subject to certain exemptions, which may require us to restate financial statements after March 31, 2016, once included. In addition, our management may also have to divert its time and other resources for the successful and timely implementation of IndAS. Any failure to successfully adopt IndAS may have an adverse effect on the trading price of our Equity Shares or may lead to regulatory action and other legal consequences. Any of these factors relating to the use of IndAS may adversely affect our financial condition, results of operations and cash flows. We have not attempted to quantify the effect of IndAS on the financial information included in this Draft Red Herring Prospectus, nor have we provided a reconciliation of our financial statements to those under IndAS.

Further, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on your familiarity with Indian GAAP, the Companies Act, and the rules framed thereunder. Any reliance by persons not familiar with Indian GAAP, or these laws and regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

**27. *We may be unable to obtain future financing on favourable terms, or at all which could have a material adverse effect on our business and results of operations.***

Our business requires funding for working capital requirements as well as for funding our expansion plans from time to time. The actual amount and timing of future financing may depend on several factors, among others, new business opportunities, opportunities for inorganic growth, regulatory changes, economic conditions, technological changes and market developments. Our sources of additional funding, if required, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of additional debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. A disproportionate increase of our working capital requirements may result in increased funding costs, which may have an adverse effect on our financial condition and results of operations.

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

**28. *We had negative cash flows in the past. Any negative cash flows in the future would adversely affect our cash flow requirements.***

We have in the past, and may in the future, experience negative cash flows. The following table sets forth certain information relating to our cash flows for the periods indicated.

(₹ in million)

<b>Particulars</b>	<b>For the period ending December 31, 2017</b>	<b>Fiscal 2017</b>	<b>Fiscal 2016</b>	<b>Fiscal 2015</b>	<b>Fiscal 2014</b>	<b>Fiscal 2013</b>
Net cash generated from operating activities	240.51	46.15	102.39	21.27	5.42	39.72
Net cash generated from / (used in) investing activities	2.13	(103.50)	(28.22)	(31.01)	(26.11)	(40.03)
Net cash generated from / (used in) financing activities	(102.81)	20.23	33.69	22.84	5.46	22.27
Net increase/(decrease) in cash and cash equivalents	139.83	(37.12)	107.86	13.10	(15.23)	21.96

Negative cash flows over extended periods, or significant negative cash flows in the short term, could have a material impact on our business and negatively impact our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see “*Management's Discussion and Analysis of Financial Condition and Results of Operations- Cash Flows*” on page 193.

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

The intense competition we face in our businesses, and general economic and business conditions can put pressure on us to reduce our prices. If our competitors offer deep discounts on certain services, we may need to lower prices or offer other favourable terms in order to compete successfully. Any such changes may reduce margins and could adversely affect our operating results.

Any broad-based change to our prices and pricing policies could cause our revenues to decline or be delayed as a result of our clients adjusting to the new pricing policies. Some of our competitors may bundle services for promotional purposes or as a long-term pricing strategy and provide best price guarantees. These practices could, over time, significantly constrain the prices that we can charge for certain of our services. If we do not adapt our pricing models to reflect changes in clients’ use of our services or changes in customer demand, our revenues could decrease.

**30. Our insurance coverage may not be adequate and this may have a material adverse effect on our business financial condition and results of operation.**

We maintain insurance coverage for key risks relating to our business. While we believe that the amount of our insurance coverage is in line with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In addition, not all risks associated with our operations may be insurable, on commercially reasonable terms or at all. Although we believe that we have obtained insurance coverage customary to our business, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected. Natural disasters in the future or occurrence of any other event for which we are not adequately or sufficiently insured may cause significant disruption to our operations that could have a material adverse impact on our business and operations. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and cash flows. If we are subject to litigation or claims or our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption. For details, see “*Business- Insurance*” on page 117.

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

As of December 31, 2017, our contingent liabilities as disclosed in the notes to our financial statements aggregated to ₹ 15.57 million. The following table sets forth certain information relating to our contingent liabilities as of December 31, 2017:

<b>Particulars</b>	<b>Amount</b>
Disputed Employees State Insurance	1.50
Service tax matters	14.07

(₹ in million)

Particulars	Amount
<b>Total</b>	<b>15.57</b>

**32. Upon completion of the Offer, our Promoters and Promoter Group will continue to retain control over us, which will allow them to influence the outcome of matters submitted to the shareholders for approval.**

Our Promoters and Promoter Group currently own 99.98% of our Equity Shares. Upon completion of the Offer, our Promoters and Promoter Group will continue to hold majority of our outstanding Equity Shares. Consequently, our Promoters and Promoter Group may exercise substantial control over us and may have the power to elect and remove a majority of our Directors and/or determine the outcome of proposals for corporate action requiring approval of our Board of Directors or shareholders, such as lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions. Our Promoters and Promoter Group may be able to influence our major policy decisions, including our overall strategic and investment decisions, by controlling the election of our Directors and, in turn, indirectly controlling the selection of our senior management, approving our annual budgets, deciding on increases or decreases in our share capital, determining issuance of new securities by us, approving mergers, acquisitions and disposals of our assets or businesses, and amending our Articles of Association.

The interests of our Promoters and Promoter Group could conflict with the interests of our other shareholders, including the holders of our Equity Shares to be offered, and our Promoters and Promoter Group could make decisions that materially adversely affect investment in our Equity Shares to be offered. We cannot assure that our Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's favour.

**33. We have entered into related party transactions with Mr. Rajendra Prasad Yadav, our Chairman cum Managing Director and a Promoter, in the past and may continue to do so in future. These transactions or any future transactions with Mr. Rajendra Prasad Yadav and our related parties could potentially involve conflicts of interest.**

We have entered into a lease deed with Mr. Rajendra Prasad Yadav for taking on lease, the premises situated at 1st floor, Rishi Tech Park, Street Number 360, New Town, North 24 Paraganas, Kolkata, West Bengal, India for a period of three years, commencing August 1, 2015. In terms of such lease deed, we are required to pay a monthly rent of ₹ 89,270 to Mr. Rajendra Prasad Yadav. While we believe such transaction has been on arm's length and we have obtained approval of our Board for such transaction, there can be no assurance that we would not have achieved more favourable terms had we entered into a similar transaction with a third party. Further, we may continue to enter into related party transactions in future and the transactions that we have entered into and any future transactions with our related parties could potentially involve conflicts of interest. Although, going forward, all related party transactions that we may enter into, will be subject to Board or shareholder approval, as necessary under the Companies Act, 2013 and the SEBI Listing Regulations, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For further details, see "**Financial Statements – Annexure 34 –Related Party Transactions and Balances**" on page 175.

**34. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.**

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no other instances of statutory non-compliance/delays or any unauthorized transactions by our employees.

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

The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. Our Company paid dividend at the rate of 10% in Fiscal 2017 and 15% each in Fiscals 2016 and 2015. There can be

no assurance that we will be able to declare dividends in the future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on various factors, including those stated above. Additionally, our ability to pay dividends is and may be subject to restrictive covenants contained in the financing related agreements we have entered into and will enter into in the future. Accordingly, realisation of a gain on shareholder investments may depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity shares will appreciate in value. For further details, see “*Dividend Policy*” on page 146.

**36. *Our management will have flexibility over the use of the Net Proceeds of the Fresh Issue.***

We intend to use the Net Proceeds of the Fresh Issue towards funding working capital requirements; funding capital expenditure for setting up branch offices in Gurugram, NOIDA, Jaipur and Vijayawada and expanding our offices in Chennai and Mumbai; funding expenditure for upgrading the IT infrastructure; and general corporate purposes. Our management will have broad discretion to use the Net Proceeds of the Fresh Issue and you will be relying on the judgment of our management regarding the application of these Net Proceeds of the Fresh Issue. Our management may not apply the Net Proceeds of the Fresh Issue in ways that increase the value of your investment. Pending utilisation of the Net Proceeds of the Fresh Issue, we intend to deposit such Net Proceeds of the Fresh Issue in scheduled commercial banks. Although the utilisation of the Net Proceeds of the Fresh Issue will be monitored by our Board of Directors and the Monitoring Agency, there are no limitations on interim investments that we can make using such Net Proceeds of the Fresh Issue subject to compliance with the SEBI ICDR Regulations.

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

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

**38. *Certain share transfer forms are not traceable. We cannot assure you that these share transfer forms will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.***

We have been unable to locate the share transfer deeds in relation certain transfers to and *inter se* our Promoters, including (i) a transfer of 311,500 Equity Shares from Ms. Reeta Yadav to Mr. Rajendra Prasad Yadav; (ii) acquisition of 4,000 Equity Shares from Anil Pandya, 1,250 Equity Shares each from Mr. Pradeep Kumar Jain and Ms. Shashi Kala Sogani, 1,500 Equity Shares from Mr. Sorabh Sogani and 2,000 Equity Shares from Ms. Saroj Kumar Jain, in each case by Ms. Reeta Yadav.

While we believe that the share transfer forms in relation to abovementioned transfers were duly executed, we have not been able to obtain copies of these documents. Accordingly, we have relied on the share transfer register and register of members to applicable disclosures in this Draft Red Herring Prospectus. We cannot assure you that these share transfer forms will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

Additionally, the Regional Director, Eastern region, Kolkata, by an order dated February 16, 2018, compounded an application filed by our Company seeking to file Form CHG-4 with the RoC after a delay of 36 days in relation to satisfaction of charge and imposed a penalty of ₹ 1,000 on our Company, which has been paid. Should our

Company file any compounding applications in the future, such applications may not be compounded and be subject to penalties that may be imposed on us by the competent authority which may adversely affect our business, prospects and results of operations.

#### **External Risk Factors**

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us. We have not determined the impact of such proposed legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

**40. *Significant differences exist between Indian GAAP, Ind AS and other reporting standards, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

As stated in the report of our auditors included in this Draft Red Herring Prospectus, our financial statements are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to U.S. GAAP or IFRS or any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including U.S. GAAP or IFRS. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on your familiarity with Indian GAAP, the Companies Act, and the regulations framed thereunder. Any reliance by persons not familiar with Indian GAAP, or these laws and regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. All consideration of financial, and other, information with regard to an investor's decision whether or not to invest in this Offering should be made of the financial statements herein presented and not to any documents published by our Promoter.

**41. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. The Equity Shares may experience price and volume fluctuations. Further, financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.***

The Offer Price of the Equity Shares will be determined by the Company in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under "**Basis for Offer Price**" on page 76 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price. The market price of the Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian general staffing and IT sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's

fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares.

Further, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. In the past, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy and such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by our Company. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If our Company elects not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

***43. The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares will be determined by the Company in consultation with the BRLMs through the Book Building Process and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply inter-alia with the pricing guidelines and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the prescribed exceptions, then prior approval of the RBI will be required.

***45. Currency exchange rate fluctuations may affect the value of the Equity Shares independent of our financial results.***

The Equity Shares are, and will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the

proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

***46. Any future issue of Equity Shares may dilute the investor's shareholding and sales of the Equity Shares by our Promoters or other major shareholders in future may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares by our Company, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans, could dilute your shareholding in our Company. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders in future or our promoters may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. After the completion of the Offer, our Promoter and members of our Promoter Group will continue to hold majority of our outstanding Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our Company's major shareholders including our promoters, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Any such issuance or sale, or any perception by investors that such issuances or sales might occur, may lead to the dilution of investor shareholding in our Company or affect the trading price of the Equity Shares and could affect our ability to raise capital through an offering of our securities.

***47. Investors may have difficulty enforcing judgments against our Company or our management.***

Our company is incorporated under the laws of India and almost all our directors and key managerial personnel reside in India. A majority of our assets, and the assets of our Directors and officers, are also located in India. As a result, it may be difficult for investors to effect service of process upon, or to enforce judgments obtained against, our Company or such persons outside India. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which include the United Kingdom, Singapore and Hong Kong. The United States has not been declared as a reciprocating territory for the purposes of the Code of Civil Procedure, 1908 ("**Civil Code**") and thus a judgement of a court outside India may be enforced in India only by a suit and not by proceedings in execution. In order to be enforceable, a judgement from a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not include arbitration awards. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgement for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgement in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgement is rendered, may bring a fresh suit in a competent court in India, based on a final judgement that has been obtained in a non-reciprocating territory, within three years of obtaining such final judgement. It is unlikely that an Indian court would award damages on the same basis, or to the same extent, as was awarded in a final judgement rendered by a court in another jurisdiction, if the Indian court believes that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgement in India is required to obtain prior approval of the RBI, to repatriate any amount recovered pursuant to the execution of the judgement.

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

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

- A natural or man-made disaster, could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.

- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

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

**49. Sustained increase in Indian price inflation may adversely affect our financial condition.**

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a result in an increase in cost of services due to rise in the cost of wages, raw materials or any other expenses. We may be unable to reduce our costs or pass the impact of the increase in costs to our clients adversely affecting our financial condition.

**50. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.**

Under current Indian tax laws, unless specifically exempted, 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 long-term capital gains tax in India if Securities Transaction Tax ("STT") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the GoI under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Bill, 2018, proposes to tax such long term capital gains exceeding INR 100,000 arising from sale of Equity Shares on or after April 1, 2018. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

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. Capital gains arising from the sale of the Equity Shares may be partially exempt or exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

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

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

**52. The average cost of acquisition of Equity Shares by our Promoters, may be less than the Offer Price.**

The average cost of acquisition of Equity Shares by our Promoters is ₹ 0.02 per Equity Share for Mr. Rajendra Prasad Yadav and ₹ 0.07 per Equity Share for Ms. Reeta Yadav. For further details, please see sections "**Prominent Notes**" on page 32. We cannot assure you that the Offer Price will not be less than the average cost of acquisition of Equity Shares held by our Promoters.

**53. India has stringent labour legislations that protect the interests of workers, and if our employees unionize, we may be subject to industrial unrest, slowdowns and increased wage costs.**

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to state and local laws and regulations, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, non-discrimination, work permits and employee benefits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected. Further, if we are unable to negotiate with employees, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits.

**54. Our businesses are susceptible to uncertain economic conditions. Further, our operations are subject to political, economic, regulatory and other risks of doing business in India.**

The demand for our businesses is significantly affected by the general level of economic activity in India. Our clients may postpone or cut back on hiring in an effort to cut costs, particularly during economic downturns. Such events may have a material adverse effect on our business prospects and results of operations. Such events may have a material adverse effect on our business prospects and results of operations. Our results of operations are affected by the level of business activity of our clients, which in turn is affected by the macroeconomic conditions in the economy and the industries in which they operate. In recent years, there has been considerable volatility and uncertainty in economic conditions in India and other jurisdictions. If, in the event of unfavourable economic conditions, companies limit their spending on the services which we provide, it may have a material adverse effect on our financial and operating performance. Economic recovery is difficult to predict, and may be short lived, slow or uneven, with certain regions, or countries within a region, continuing to experience declines or weakness in economic activity while others improve. Differing economic conditions and patterns of economic growth or contraction in the geographical regions in which our clients operate may affect demand for our business services.

**Prominent Notes:**

- Initial public offering of up to [●] equity shares of face value ₹ 10 each of our Company, for cash at a price of ₹ [●] per equity share (including share premium of ₹ [●] per equity share) aggregating up to ₹ [●] million comprising the Fresh Issue and the Offer for Sale. The Offer shall constitute [●] % of the post-Offer paid-up Equity Share capital of our Company. In terms of Rule 19(2)(b)(i) of the SCRR the Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company.
- Our net worth as on December 31, 2017 and March 31, 2017, as per the Restated Financial Statements is ₹ 630.45 million and ₹ 557.79 million, respectively. See “**Financial Information**” on page 147.
- The net asset value per Equity Share as on December 31, 2017 and March 31, 2017, as per the Restated Financial Statements is ₹ 34.81 and ₹ 30.80, respectively. See “**Financial Information**” on page 147.
- The average cost of acquisition per Equity Share by our Promoters as set forth below.

Name of Promoter	Number of Equity Shares held	Average cost of acquisition per Equity Share* (₹)
Mr.Rajendra Prasad Yadav	12,234,925	0.02
Ms. Reeta Yadav	5,840,625	0.07

\* As certified by our Auditors by their certificate dated March 20, 2018.

For details in relation to the shareholding of our Promoters, see “**Capital Structure – Notes to Capital Structure – Build-up of our Promoters’ shareholding, Promoter’s contribution and Lock-in**” on page 58.

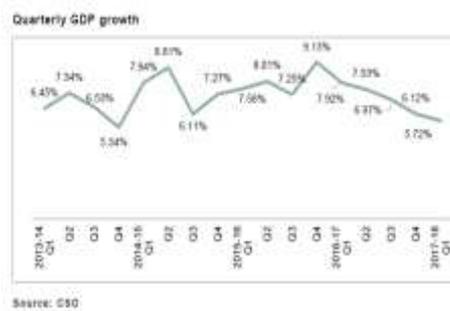
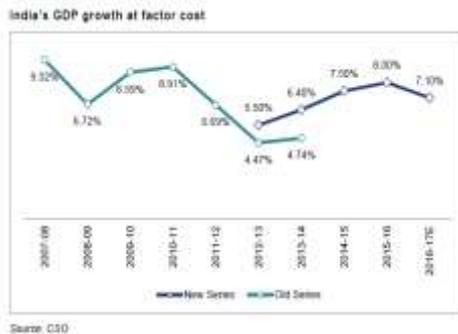
- There has been no change in the name our Company in the three years immediately preceding the date of this Draft Red Herring Prospectus.

- There has been no financing arrangements whereby our Promoter Group, our Directors or any of their relatives, have financed the purchase by any other person of Equity Shares, other than in the ordinary course of the business of the financing entity, during the six months immediately preceding the date of this Draft Red Herring Prospectus.
- As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries, associates or Group Companies.
- Investors may contact the BRLMs that have submitted the due diligence certificate to SEBI or the Registrar to the Offer, for any complaints pertaining to the Offer.

## SECTION III – INTRODUCTION SUMMARY OF INDUSTRY

### Indian Economy and Employment Scenario

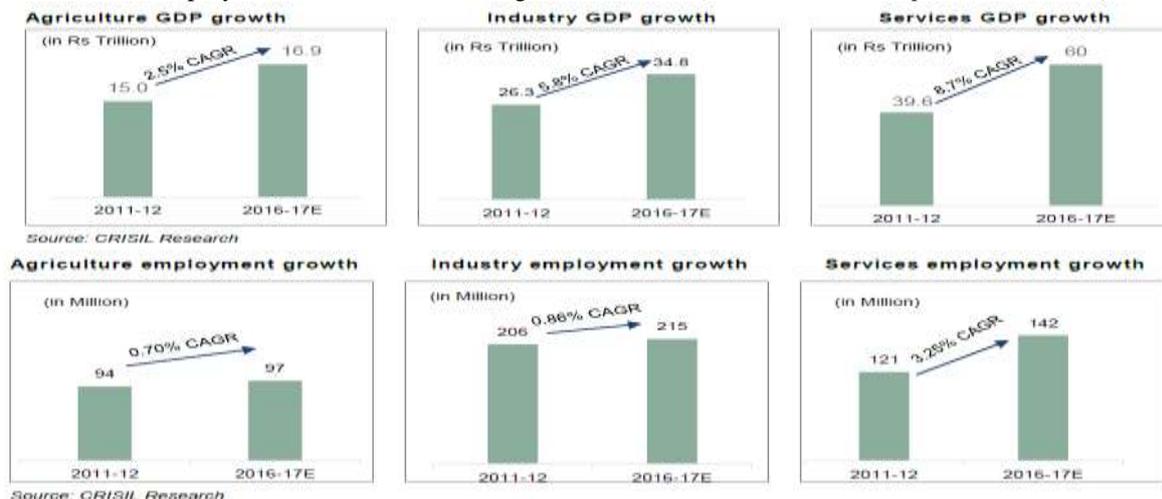
India's GDP is expected to cruise along a sustainable path over the next five years, as the economy gradually reverts on the road to recovery. GDP growth slowed in 2011-12 and 2012-13. Despite turning the corner in 2013-14, it grew at a slow pace until 2014-15, owing to flat investment growth, coupled with decline in productivity of existing investments. However, 2015-16 showed remarkable recovery, as GDP shot up at 8%, and India overtook China to become the fastest growing economy in the world. In 2016-17, the GDP grew at 7.1% and reached ₹ 121.89 trillion. In the current fiscal, GDP declined to a three-year low of 5.7% in the first quarter, but nosed up to 6.3% in the second quarter on uptick in industrial growth. The GDP growth is expected to scale to 7.6% in the second half of the current fiscal aided by the low base effect of the second half of 2016-17 and thereby pulling up the full year growth to 7%. Indian GDP growth is expected to scale at a healthy pace over the next 5 years. (Source: CRISIL Report, March 2018)



(Source: CRISIL Report, March 2018)

### Employment Growth

Even during India's high growth years, contrasting trends have been observed between GDP growth and employment elasticity. The CAGR growth in agriculture, industry and service does not match the CAGR growth in employment in the respective sectors during the same period. Over 2011-12 to 2016-17 the GDP in industry sector is estimated to have grown by 5.8% CAGR whereas the employment is estimated to have grown by 0.7%. Employment in service sector is slightly in a better state. While the service sector GDP growth CAGR is estimated to be 8.6% the employment is estimated to have grown at 3.25%. (Source: CRISIL Report, March 2018)



(Source: CRISIL Report, March 2018)

Labour intensity is estimated to decline for all the sectors in industry as well as services. In the manufacturing sector, rising substitution of manual labour due to complicated labour laws (rigid rules for hiring and firing of workers) and technological progress has led to higher automation. A labour-intensive sector like construction is

estimated to have grown at a slower pace of 1.7% in fiscal 2017 according to the data released by Central Statistical Office (“CSO”) whereas the growth in utilities is estimated to have grown at 7.2%. (Source: CRISIL Report, March 2018)

High growth in services sector has not resulted in large incremental employment as it requires comparatively lesser people to produce ₹ 1 million of real value-added GDP. By contrast, the services sub-sectors that are more labour-dependent like health, education and recreation services grew at a much slower pace. As a result, employment addition in these sectors has been limited. (Source: CRISIL Report, March 2018)

In Fiscal 2012, the industry, manufacturing and construction sectors accounted for a lion’s share in total employment. It is estimated that a similar trend to follow in fiscal 2017, with manufacturing and construction accounting for more than 95% of the total employment. Other sectors such as mining and quarrying and electricity, gas and water fulfilled the residuary requirements. (Source: CRISIL Report, March 2018)

Growth in manufacturing sector is expected to slow down to 7.6% in Fiscal 2018 from 7.9% last fiscal. According to CRISIL Research, the services sector will fare better because transportation is likely to improve as agricultural production remains robust and construction activity is expected to gather steam. Financial services, real estate and professional services are expected to accelerate on account of improved performance of the capital markets and some pick-up in consumer credit. (Source: CRISIL Report, March 2018)

It is estimated that the services sectors would grow at 8.1% in Fiscal 2018 compared with 7.7% in the previous fiscal. Also, compared to agriculture and industry, the services sector has shown the highest growth from 2011-12 till the current fiscal. However, the overall growth slowdown in the current fiscal has increased speculation on employment growth. A sector like construction that has high potential to absorb labour force has seen a sharper dip. This suggests that slower economic growth could also have shaved off employment growth in the economy. (Source: CRISIL Report, March 2018)

### ***Employable population and characteristics***

- *Employable population*

In India, people aged between 15 to 59 years are typically considered to constitute employable population. The employable population registered a CAGR of 2.2% and a decadal growth of 24.7% between 2001 and 2011. This was relatively higher than overall population growth during the period, indicating a significant rise in the share of young, able, and employable workforce within the country. This ‘demographic dividend’ is expected to be favourable in the span of a country’s population structure, when the proportion of working age group in the total population rises and peaks. A high share of able and employable workforce could also bring other offshoot benefits such as higher incomes and consumption, provided there is job creation. In India, the share of employable population rose from 57% in 2001 to 60% in 2011. (Source: CRISIL Report, March 2018)

**India's total and employable population (2001 to 2011)**

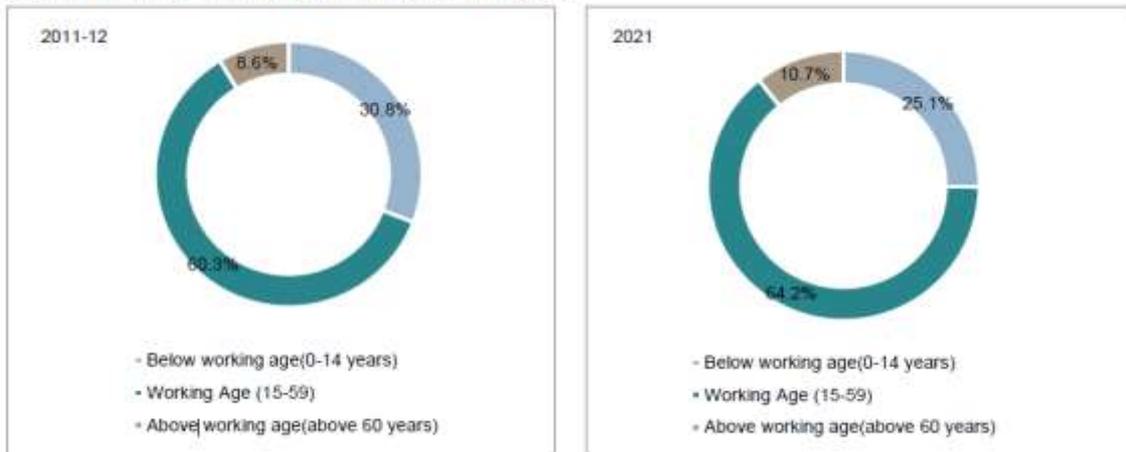
In million	2001	2011	2017E	CAGR (2001 to 2011)
Population	1029	1211	1335	1.6%
Employable Population	586	730	833	2.2%

Note: Estimates based on the growth trend between 2001 and 2011

Source: NSSO

The Ministry of Statistics and Programme Implementation (“MOSPI”) projects India’s population to reach 1,340 million by 2021, representing a decadal growth of 10.6%. According to projections by the National Sample Survey Office (“NSSO”) in 2001, the proportion of total working age population is expected to touch 64.2% by 2021.

**Distribution of persons by age group (2011 and 2021)**

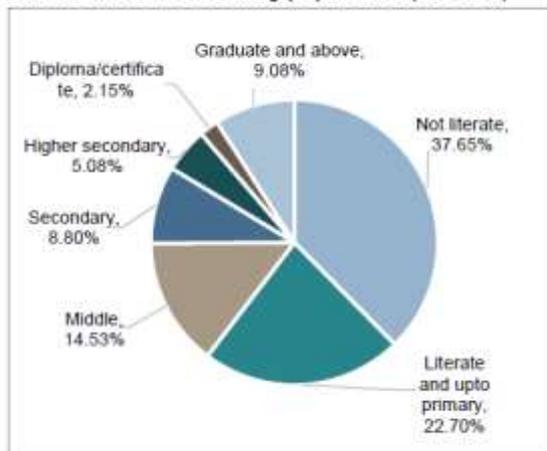


Source: NSSO

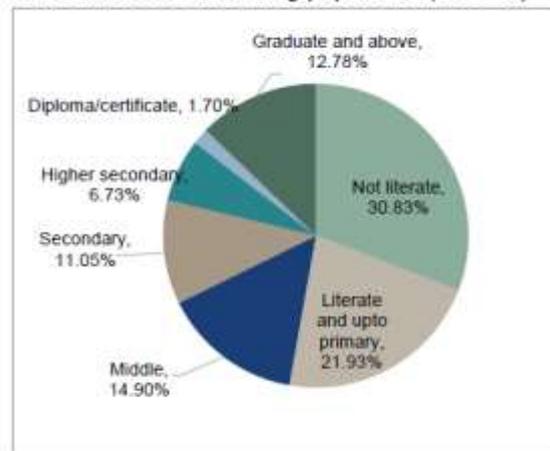
- *Working group characteristics*

The share of literate population within the working group population has risen by approximately 7% between 2004-05 and 2011-12 from 62.3% to 69.1%. Importantly, among the literate group in the working population, growth has been higher among workers with higher secondary education and higher levels of education, as compared with the average growth rate of the literate group population. (Source: CRISIL Report, March 2018)

**Education level of working population (2004-05)**



**Education level of working population (2011-12)**



Source: NSSO, MOSPI, CRISIL Research

(Source: CRISIL Report, March 2018)

The proportion of illiterate persons among the working group population between the period 2005-06 and 2011-12 has declined by 6-7 percentage point during this period. Although illiteracy has fallen, the decreasing level of enrolment at higher levels of education is a key concern area. In the years ahead, formal employment is expected to be driven by increased enrolment at higher education levels and improvement in the skill sets of workers through targeted skill development programmes such as the National Skill Development Mission. (Source: CRISIL Report, March 2018)

**Level wise enrolment in school and higher education (2014-15)**



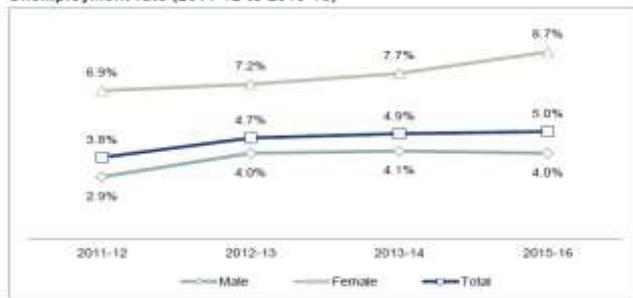
Source: MHRD, Educational Statistics 2016 Table 6A

(Source: CRISIL Report, March 2018)

### Unemployment Rate

As per the data supplied by the Ministry of Labour and Employment, Government of India, unemployment rate shot up to a five year high of 5% in 2015-16, since job creation has not kept pace with the growing working population. In addition, skill gap, in terms of a mismatch in the technical and educational requirements and the available workforce has further aggravated the unemployment rate. A combination of poor skill sets and lack of job opportunities has resulted in a high level of unemployment in many states across India. (Source: CRISIL Report, March 2018)

**Unemployment rate (2011-12 to 2015-16)**

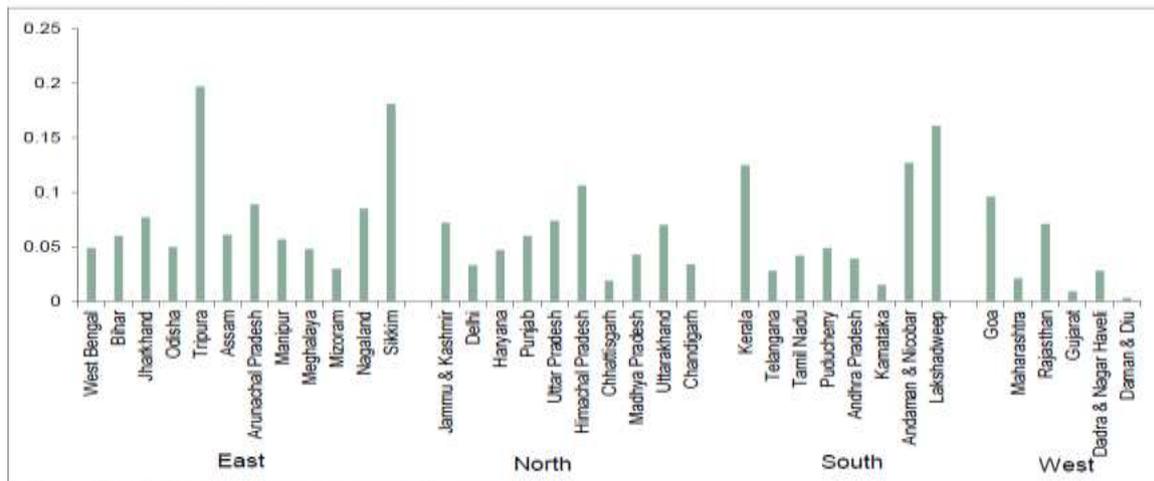


Source: Employment Unemployment Survey, Annual Report 2016-17, Ministry of Labour & Employment

(Source: CRISIL Report, March 2018)

A region-wise analysis shows that unemployment rates are highest in the eastern region. This is mainly because the region has the highest percentage of population in the education category “not literate”. This region also has lower proportion of individuals with higher education. The southern region has the least unemployment rate owing to higher level of education among the population and better skill sets. (Source: CRISIL Report, March 2018)

**State-wise unemployment rate (2015-16)**



Source: Fifth Annual Employment- Unemployment Survey 2015-16

(Source: CRISIL Report, March 2018)

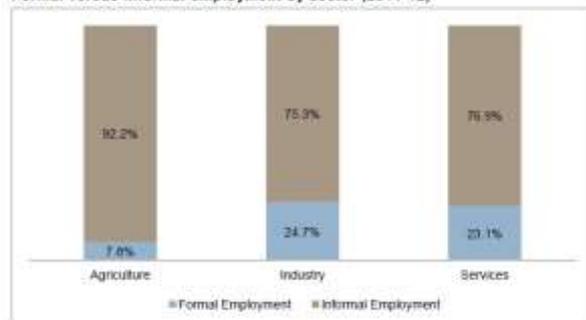
The northern and eastern regions have the highest proportion of illiterate persons. The eastern region also has a relatively lower proportion of people with higher education. Consequently, the unemployment level in the eastern region is amongst the highest in the country. On the contrary, the southern and western regions have a higher proportion of literate person. Therefore, these regions also have a higher potential for employable skilled workforce in non-agricultural sectors, leading to higher employment rates.

According to CRISIL Research, while the percentage of self-employed population has declined in the past five years, it still accounts for a very high share. Poverty and lack of education are major constraints for employment opportunities for the youth, forcing them into self-employment or low paid casual work. In 2015-16, the low paid casual workers, contract workers, and self-employed comprised over 80% of the total workforce in India. (Source: CRISIL Report, March 2018)

**Employment in formal versus informal sectors**

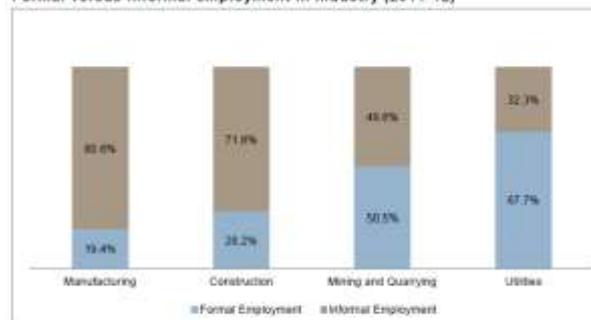
India’s informal sector is currently driving employment the informal sector comprises all unincorporated proprietary, partnership enterprises and enterprises whose activities or collection of data is not regulated under any legal provision and/or which do not maintain any regular accounts. About 80% of India’s workers are in the informal sector, with particularly high levels of informal workers evident in the manufacturing and construction industries. (Source: CRISIL Report, March 2018)

**Formal versus informal employment by sector (2011-12)**



Source: NSSO 2011 report

**Formal versus informal employment in industry (2011-12)**



Source: NSSO 2011 report

(Source: CRISIL Report, March 2018)

The cumulative effect of low levels of literacy, less-than adequate skill-sets and lack of employment opportunities is a high level of self-employment, due to which informal employment dominates employment in most sectors. Complex and tough labour laws have hampered job creation in the formal sector. Many workers also prefer the higher take-home pay that the unorganised framework provides. (Source: CRISIL Report, March 2018)

## ***Overview of Global Staffing Industry***

According to CRISIL Research, globally, the staffing industry has grown considerably over the past few years. According to the CIETT Economic Report 2017, the global annual sales revenue of the employment industry has gone up to 417 billion euros. Despite the slump in the aftermath of the financial crisis and the resultant global economic slowdown, the industry still showed 6-7% CAGR over the last decade. (Source: *CRISIL Report, March 2018*)

### ***Temporary Staffing***

The employment industry comprises of direct recruitment, recruitment process outsourcing, managed services provision and career management according to CRISIL Research. In the employment industry, the temporary staffing/agency work has the highest share of 67% in global revenue, followed by managed service provision and direct recruitment. (Source: *CRISIL Report, March 2018*)

### ***Flexible Staffing Industry***

According to CRISIL Research, India ranks 13th in the world flexible staffing industry in terms of revenue as of 2015. The United States has the highest revenue of approximately 16.3 billion euros which amounts to a share of 31%, followed by the UK with 11% share and Japan with 10%, among the 50 countries which are the part of World Employment Confederation. In terms of the regions, North America accounts for the highest share of 36% followed by Europe (35%) and the Asia/Pacific (22%). (Source: *CRISIL Report, March 2018*)

There is a growing awareness among corporates of the advantages of flexible staffing, which include meeting labour demand during times of immediate need and providing social security to employees according to CRISIL Research. Over the next few years, this will encourage more companies spanning diverse sectors to consider flexible staffing as a viable employment option. The role of flexible staffing firms is set to expand and diversify in the years ahead in India, in line with the global trend, propelled by a mix of the regulatory, technological and demand-supply factors. (Source: *CRISIL Report, March 2018*)

### ***Direct Recruitment***

According to CRISIL Research, the top 10 countries in terms of revenue in the permanent employment market are the United States of America, United Kingdom, Australia, Canada, Japan, Germany, France, Switzerland, Ireland and New Zealand. The United States of America accounts for the largest share of 50.6% in total revenue among these 10 countries in the permanent employment market. (Source: *CRISIL Report, March 2018*)

### ***Managed Services Provision***

Managed services provisions comprises of services provided by a company for managing an organisation's contingent workforce. According to CRISIL Research, North America and Europe have the highest sales revenue of approximately 54 billion euros and 32 billion euros, respectively, in this sector. The rest of the world contributes only 9.5% to the total revenue in this sector. (Source: *CRISIL Report, March 2018*)

## ***Overview of Staffing Industry in India***

A staffing services company matches employment offers and applications, acting as an intermediary between an employee and an employer, matching the job requirements of an employer with employees having the required skill-sets. (Source: *CRISIL Report, March 2018*)

According to CRISIL Research, the services of the staffing industry is no longer limited to serving as a link between an organisation and potential employees, but has expanded into providing human resource solutions, such as pay-roll processing and verification services (identity and background checks), training services, facilities management services, etc. Further, facility management service is one of the fastest growing verticals, with several agencies providing staff/workers for facility management.

The various segments of the staffing industry follow a typical value chain, wherein the company interviews job seekers through staffing agencies to address a demand-supply mismatch. Majority of flexible staffing agencies offer in-house training and skill development programmes to increase the prospects of job-seekers as well as

address the growing concern of companies in finding individuals with suitable skill-sets. A value addition offered by the flexible staffing industry is of not only addressing the issue of providing skilled manpower, but also manage changing employee requirement of various industries. The flexible staffing industry acts as an enabler for new candidates by providing them training on the requisite skills of the industry and making them job-ready. (*Source: CRISIL Report, March 2018*)

## SUMMARY OF BUSINESS

*The following information should be read together with the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 14,147 and 181, respectively.*

### Overview

We are one of the leading providers of human resources (“**HR**”) solutions in India by market share in fiscal 2017 and we have one of the highest revenue per associate ratio (*Source: CRISIL Report, March 2018*). We provide a broad range of HR solutions to clients, including marquee clients, such as Bharti Airtel, Bosch, Hathway Cable and Datacom (“**Hathway**”), Tata Consultancy Services (“**TCS**”) and PayTM, among others. Our comprehensive HR solutions covering the life-cycle of the HR solutions value chain include permanent and flexi staffing solutions, payroll processing, compliance management, background checks and verification services, HR management services (“**HRMS**”) (collectively, “**HR Solutions**”) and FMS as well as sale of HR software.

We are focused on providing consultancy services to clients in the sphere of HR solutions, including providing placement opportunities to job seekers and customized solutions to our corporate clients. We help our corporate clients source middle and senior level personnel through our permanent staffing solutions, while our flexi staffing solutions outsource associates on a temporary basis, allowing our clients to focus on core areas of their business and operations. Permanent and flexi staffing solutions, together, contributed to 95.13% and 95.19% of our revenue from operations for the nine months ended December 31, 2017 and fiscal 2017, respectively. Our core competencies include permanent and flexi staffing solutions through which, we had placed over 250,000 associates as part of our flexi staffing solutions (“**Associates**”) since 2001 until February 5, 2018 and over 975 professionals through our permanent staffing solutions (“**Professionals**”) in the last three fiscals, until February 5, 2018. Further, as on February 5, 2018, there were over 50,000 Associates on our rolls who have been placed by us with various clients pursuant to our flexi staffing solutions.

We are an established player in the HR Solutions industry in India having commenced our operations in 1993 as a provider of permanent staffing solutions. Over time, we have diversified into various HR Solutions covering flexi staffing solutions, payroll processing, compliance management, background checks and verification services, HRMS and FMS as well as sale of HR software over a period of 24 years. We further plan to foray into security services and HR business process outsourcing (“**HR BPO**”). As on February 5, 2018 we were catering to over 800 clients through over 1,100 contracts executed with such clients for providing various HR Solutions to them. Our clients span various industries including telecommunications, IT, logistics, infrastructure, engineering, fast moving consumer goods (“**FMCG**”), retail and pharmaceuticals, among others. As of February 5, 2018 we were managing payroll processing for over 90 clients, conducting compliance management for over 100 clients and undertaking background checks for over 230 clients.

Our Company is promoted by Mr. Rajendra Prasad Yadav, who has over two decades of experience in the HR services industry and Ms. Reeta Yadav, who have been instrumental in our growth. Our senior management comprises individuals, including national heads who lead the different verticals within our HR Solutions offerings, with significant experience in the HR services industry and who have been associated with our Company on an average for 15 years.

We have a pan-India presence through 15 branch and area offices across 14 states, including our Registered and Corporate Office at Kolkata, covering over 950 locations across the country as on February 5, 2018. We are present across major cities in India, including Kolkata, Delhi, Mumbai, Chennai, Bengaluru and Hyderabad, among others.

Our information technology (“**IT**”) department comprises 34 employees, as on February 5, 2018, and is headed by our IT national head, who has been associated with our Company for 15 years. Our IT department has been instrumental in developing our in-house software for our HR Solutions, in respect of which we have filed an application dated March 8, 2018 with the Registrar of Copyrights, Delhi for registration of copyright. Our IT department helps us customize our IT systems as per our internal requirements as well as any specific requirements prescribed by our clients. Further, our information security management system, which has been certified to be compliant with ISO/IEC 27001:2013 standards, allows us to respond faster to our clients and Associates, including in respect of salary disbursements. We have also established a provident fund trust, under the name of Genius Consultants Employees Provident Fund (“**PF Trust**”), which, pursuant to a notification dated May 14, 2015 issued

by the Ministry of Labour and Employment, Government of India (“**MoLE**”), is exempt from the operation of EPF Act, in respect of receiving deposit of employee provident fund (“**EPF**”) contributions for our employees. This enables quicker processing of settlement claims for dissociated employees. For further details, see “**Business – Human Resources**” on page 116.

Our total revenue for the nine months ended December 31, 2017 and fiscals 2017, 2016 and 2015 was ₹ 6,719.55 million, ₹ 7,816.29 million, ₹ 6,205.64 million and ₹ 5,167.40 million, respectively, and our profit after tax for the corresponding period was ₹ 94.46 million, ₹ 196.02 million, ₹ 110.93 million and ₹ 83.03 million, respectively. Further, for the nine months ended December 31, 2017 and fiscals 2017, 2016 and 2015, our EBITDA was ₹ 128.91 million, ₹ 222.68 million, ₹ 177.93 million and ₹ 135.89 million, respectively. Our total revenue and profit after tax grew at a CAGR of 21.44% and 45.57%, respectively, between fiscal 2013 and fiscal 2017.

### **Business Strengths**

- Diverse client base including several marquee customers with focus on client retention
- Leading and established player in the HR Solutions industry with robust financial performance
- Scalable business model with pan-India presence
- Technological and operational excellence
- Experienced management supported by quality human capital

### **Business Strategies**

- Foray into security services, HR BPO and sale of new software and increased focus on FMS
- Increase geographic presence in India and overseas and continue to focus on client acquisition
- Expand through inorganic growth and strategic acquisitions
- Increased focus on the BFSI sector, retail and e-commerce industries with further penetration in other industry segments

## SUMMARY FINANCIAL INFORMATION

### RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

*(Amount in ₹ millions)*

Particulars	As at					
	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Equity and liabilities</b>						
<b>Shareholders' funds</b>						
Share capital	181.13	181.13	60.38	34.50	34.50	20.70
Reserves and surplus	449.32	376.66	301.39	227.23	150.91	104.29
	<b>630.45</b>	<b>557.79</b>	<b>361.77</b>	<b>261.73</b>	<b>185.41</b>	<b>124.99</b>
<b>Non-current liabilities</b>						
Long-term borrowings	4.58	5.35	4.25	8.10	12.14	18.80
Deferred tax liabilities (net)	-	-	-	-	0.44	-
Other long-term liabilities	-	-	-	-	0.32	0.48
Long-term provisions	124.30	118.30	67.67	56.88	32.01	22.68
	<b>128.88</b>	<b>123.65</b>	<b>71.92</b>	<b>64.98</b>	<b>44.91</b>	<b>41.96</b>
<b>Current liabilities</b>						
Short-term borrowings	110.33	184.84	158.12	95.89	59.93	39.66
Other current liabilities	864.50	546.63	487.31	391.96	340.75	261.91
Short-term provisions	3.52	3.39	2.14	7.94	7.27	4.65
	<b>978.35</b>	<b>734.86</b>	<b>647.57</b>	<b>495.79</b>	<b>407.95</b>	<b>306.22</b>
	<b>1,737.68</b>	<b>1,416.30</b>	<b>1,081.26</b>	<b>822.50</b>	<b>638.27</b>	<b>473.17</b>
<b>Assets</b>						
<b>Non-current assets</b>						
-Property, plant and equipment - Tangible assets	51.20	54.20	56.45	60.95	64.90	7.96
-Capital work in progress	56.14	53.44	-	-	-	58.91
-Intangible assets	1.14	1.02	1.16	0.75	0.56	0.40
Deferred tax assets (net)	1.28	0.74	0.81	0.96	-	0.47
Long-term loans and advances	169.80	118.36	102.00	76.49	63.63	31.65
Other non-current assets	142.79	115.78	89.21	64.38	48.14	29.55
	<b>422.35</b>	<b>343.54</b>	<b>249.63</b>	<b>203.53</b>	<b>177.23</b>	<b>128.94</b>
<b>Current assets</b>						
Trade receivables	520.30	602.37	422.03	368.97	257.25	183.49
Cash and bank balances	452.94	335.90	296.56	172.37	124.32	123.70
Short-term loans and advances	17.52	9.71	0.76	0.88	1.32	0.56
Other current assets	324.57	124.78	112.28	76.75	78.15	36.48
	<b>1,315.33</b>	<b>1,072.76</b>	<b>831.63</b>	<b>618.97</b>	<b>461.04</b>	<b>344.23</b>
	<b>1,737.68</b>	<b>1,416.30</b>	<b>1,081.26</b>	<b>822.50</b>	<b>638.27</b>	<b>473.17</b>

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Amount in ₹ millions)

Particulars	For the period	For the years ended				
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Revenue:</b>						
Revenue from operations (net)	6,712.88	7,797.47	6,197.36	5,159.57	4,446.97	3,585.60
Other income	6.67	18.82	8.28	7.83	3.52	1.94
<b>Total revenue</b>	<b>6,719.55</b>	<b>7,816.29</b>	<b>6,205.64</b>	<b>5,167.40</b>	<b>4,450.49</b>	<b>3,587.54</b>
<b>Expenses:</b>						
Employee benefits expense	6,247.58	7,223.24	5,726.57	4,786.19	4,042.83	3,334.90
Finance costs	5.91	6.45	5.20	4.97	4.66	1.74
Depreciation and amortization expense	5.75	8.77	9.48	10.31	6.17	2.42
Other expenses	336.39	351.55	293.31	237.49	298.24	184.74
<b>Total expenses</b>	<b>6,595.63</b>	<b>7,590.01</b>	<b>6,034.56</b>	<b>5,038.96</b>	<b>4,351.90</b>	<b>3,523.80</b>
<b>Profit before tax</b>	<b>123.92</b>	<b>226.28</b>	<b>171.08</b>	<b>128.44</b>	<b>98.59</b>	<b>63.74</b>
<b>Tax expense :</b>						
Current tax	30.00	48.50	60.00	46.00	31.11	21.00
Tax on earlier years	-	(2.31)	-	0.81	0.09	(0.44)
MAT credit entitlement	-	(16.00)	-	-	-	-
Deferred tax expense/(credit)	(0.54)	0.07	0.15	(1.40)	0.91	(0.47)
<b>Profit after tax, as restated</b>	<b>94.46</b>	<b>196.02</b>	<b>110.93</b>	<b>83.03</b>	<b>66.48</b>	<b>43.65</b>

RESTATED SUMMARY STATEMENT OF CASH FLOWS

(Amount in ₹ millions)

Particulars	For the period	For the years ended				
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net Profit before tax	123.92	226.28	171.08	128.44	98.59	63.74
Adjustments for:						
Depreciation and amortisation expense	5.75	8.77	9.48	10.31	6.17	2.42
Interest expense	5.91	6.45	5.20	4.97	4.66	1.74
(Profit)/loss on sale of fixed assets	(0.26)	0.13	(0.46)	(0.10)	0.14	(0.08)
Liability no longer required written back	-	-	(0.24)	-	-	-
Interest income on fixed deposits	(6.19)	(8.54)	(7.58)	(6.10)	(3.50)	(1.23)
<b>Operating profit before working capital changes</b>	<b>129.13</b>	<b>233.09</b>	<b>177.48</b>	<b>137.52</b>	<b>106.06</b>	<b>66.59</b>
<b>Adjustments for changes in working capital:</b>						
Increase / (decrease) in other long term liabilities	-	-	-	(0.32)	(0.16)	0.05
Increase in long-term provisions	6.00	50.63	10.78	24.87	9.33	22.68
Increase in short-term provisions	0.13	1.25	0.44	0.49	0.21	1.01
Decrease in non-current assets	(4.17)	(50.36)	(11.20)	(23.38)	(9.29)	(21.55)
Increase / (decrease) in other current assets	(201.10)	(13.08)	(34.64)	3.78	(41.16)	(34.80)
Increase in other current liabilities	317.69	60.48	97.95	49.25	78.68	92.95
Increase / (decrease) in trade receivables	82.07	(180.34)	(53.06)	(111.72)	(73.75)	(62.35)
(Increase) / decrease in short-term loans and advances	(7.81)	(8.96)	0.12	0.45	(0.76)	(0.34)
(Increase) / decrease in long-term loans and advances	(0.59)	(0.83)	(1.81)	(0.07)	(0.16)	1.65
<b>Cash generated from operating activities</b>	<b>321.35</b>	<b>91.88</b>	<b>186.06</b>	<b>80.87</b>	<b>69.00</b>	<b>65.89</b>
-Direct taxes paid (net)	(80.84)	(45.73)	(83.67)	(59.60)	(63.58)	(26.17)
<b>Net cash generated from operating activities</b>	<b>240.51</b>	<b>46.15</b>	<b>102.39</b>	<b>21.27</b>	<b>5.42</b>	<b>39.72</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchase of property, plant and equipment and intangible assets (including capital advances)	(5.73)	(60.29)	(6.22)	(7.18)	(4.77)	(60.80)
Proceeds from sale of property, plant and equipment	0.42	0.34	1.28	0.25	0.81	0.38
Proceeds from redemption of/(investment in) fixed deposits - net	6.63	(49.20)	(26.35)	(24.69)	(22.55)	18.80
Interest received	0.81	5.65	3.07	0.61	0.40	1.59
<b>Net cash generated from / (used in) investing activities</b>	<b>2.13</b>	<b>(103.50)</b>	<b>(28.22)</b>	<b>(31.01)</b>	<b>(26.11)</b>	<b>(40.03)</b>

RESTATED SUMMARY STATEMENT OF CASH FLOWS

(Amount in ₹ millions)

Particulars	For the period	For the years ended				
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from long term borrowings	0.88	4.10	2.21	6.26	3.63	23.15
Repayment of long-term borrowings	(1.47)	(4.14)	(8.43)	(8.35)	(10.14)	(5.01)
Proceeds from / (repayment of) short term borrowings (net)	(74.51)	26.72	62.23	35.96	20.27	9.48
Interest paid	(5.91)	(6.45)	(5.20)	(4.97)	(4.66)	(1.74)
Dividend paid	(18.11)	-	(14.23)	(5.18)	(3.11)	(3.11)
Dividend distribution tax paid	(3.69)	-	(2.89)	(0.88)	(0.53)	(0.50)
<b>Net cash generated from / (used in) financing activities</b>	<b>(102.81)</b>	<b>20.23</b>	<b>33.69</b>	<b>22.84</b>	<b>5.46</b>	<b>22.27</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>139.83</b>	<b>(37.12)</b>	<b>107.86</b>	<b>13.10</b>	<b>(15.23)</b>	<b>21.96</b>
Cash and cash equivalents as at the beginning of the period/year	177.04	214.16	106.30	93.20	108.43	86.47
<b>Cash and cash equivalents as at the end of the period/year</b>	<b>316.87</b>	<b>177.04</b>	<b>214.16</b>	<b>106.30</b>	<b>93.20</b>	<b>108.43</b>
<b>Cash and bank balances as per Note 18</b>	452.94	335.90	296.56	172.37	124.32	123.70
Less: Other bank balances	136.07	158.86	82.40	66.07	31.12	15.27
	<b>316.87</b>	<b>177.04</b>	<b>214.16</b>	<b>106.30</b>	<b>93.20</b>	<b>108.43</b>

## THE OFFER

Set forth below are details of the Offer.

<b>Offer</b>	<b>Up to [●] Equity Shares aggregating up to ₹ [●] million</b>
<i>The Offer consists of:</i>	
Fresh Issue <sup>(1)</sup>	[●] Equity Shares aggregating up to ₹ 1,700 million
Offer for Sale <sup>(2)</sup>	Up to 1,000,000 Equity Shares aggregating to ₹ [●] million
<i>Of which:</i>	
<b>A. QIB Category<sup>(3)</sup></b>	Not more than [●] Equity Shares
<i>Of which:</i>	
(i) Anchor Investor Portion <sup>(4)</sup>	Up to [●] Equity Shares
<i>Of which</i>	
Available for allocation to domestic Mutual Funds only	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
(ii) Balance available for allocation in the QIB Category (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>Of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Category (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
<b>B. Non-Institutional Category<sup>(3)</sup></b>	Not less than [●] Equity Shares
<b>C. Retail Category<sup>(3)</sup></b>	Not less than [●] Equity Shares
<b>Pre and post-Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer	18,112,500 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
<b>Use of proceeds of the Offer</b>	For details, see “ <i>Objects of the Offer</i> ” on page 67. Our Company will not receive any portion of the proceeds from the Offer for Sale portion of the Offer.

<sup>(1)</sup> The Offer has been authorized by our Board pursuant to its resolution dated January 4, 2018 and the Fresh Issue has been authorized by our shareholders pursuant to their resolution dated March 16, 2018.

<sup>(2)</sup> The Selling Shareholder has confirmed his participation in the Offer for Sale. For details, see “*Other Regulatory and Statutory Disclosures*” on page 206. The Selling Shareholder confirms that the Equity Shares offered in the Offer for Sale is in accordance with the SEBI ICDR Regulations and have been held for a period of at least one year prior to the date of this Draft Red Herring Prospectus.

<sup>(3)</sup> Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

<sup>(4)</sup> Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the QIB Category. For further details, see the “*Offer Procedure*” on page 226..

*Note:* In terms of Rule 19(2)(b)(i) of the SCRR, read with Regulation 41 of the SEBI ICDR Regulations the Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations. The Offer will constitute [●]% of the post-Offer paid-up equity share capital of our Company. In case of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and complying with Rule 19(2)(b)(i) of the SCRR, our Company and the BRLMs shall first ensure Allotment of Equity Shares in the Fresh Issue, up to the extent of 90% of the Fresh Issue, followed by Allotment of Equity Shares offered by the Selling Shareholder.

Allocation to Bidders in all categories, except to Retail Individual Investors and Anchor Investors, will be made on a proportionate basis. For further details, see “*Offer Procedure – Allotment Procedure and Basis of*

*Allotment*” on page 261. Further, for details, including in relation to grounds of rejection of Bids and the details of the terms of the Offer, see “*Offer Procedure*” and “*Terms of the Offer*”, respectively, on pages 226 and 223, respectively.

## GENERAL INFORMATION

Our Company was incorporated as ‘Genius Consultants Private Limited’ on July 27, 1993, as a private limited company under the Companies Act 1956, at Kolkata, with a certificate of incorporation granted by the RoC. Pursuant to a resolution dated September 24, 1999 of our shareholders, our Company’s name was changed to ‘Genius Consultants Limited’ and the RoC issued a fresh certificate of incorporation consequent upon change in name on conversion to a public company on October 14, 1999.

**Registration Number:** 059586

**Corporate Identity Number:** U74140WB1993PLC059586

### Registered and Corporate Office

#### Genius Consultants Limited

Synthesis Business Park, Tower 1 C, First Floor

CBD/1, Action Area II New Town

Kolkata 700157, West Bengal, India

**Telephone:** +91 33 6607 5801

**Facsimile:** +91 33 6607 5802

**Website:** www.geniusconsultant.com

For details of changes in our registered office of our Company, see “*History and Certain Corporate Matters*” on page 122.

### Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, West Bengal at Kolkata, located at the following address:

#### Registrar of Companies, West Bengal

Nizam Palace, 2nd MSO Building

2nd Floor, 234/4, A.J.C. Bose Road

Kolkata 700 020

West Bengal, India

**Telephone:** +91 33 2287 7390

**Facsimile:** +91 33 2290 3795

### Board of Directors

The following table sets out the details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name and Designation	Age (years)	DIN	Address
Mr. Rajendra Prasad Yadav <i>Designation:</i> Chairman cum Managing Director	61	00329207	Hiland Park, 6D/1, Isle Tower 1925, Chak Garia, Kolkata- 700094, West Bengal, India
Ms. Rashmi Yadav Korada <i>Designation:</i> Whole-time Director	34	00085947	400B/2F, NSC Bose Road, Flat No. 3, Second Floor, 100, Jadavpur, Kolkata – 400047, West Bengal, India
Ms. Pritika Yadav <i>Designation:</i> Whole-time Director	32	02707195	Hiland Park, 6D/1, Isle Tower, 1925, Chak Garia, Kolkata, West Bengal, India
Mr. Swapnesh Kumar <i>Designation:</i> Whole-time Director	34	02547454	400B/2F, NSC Bose Road, Flat No. 3, Second Floor, 100, Jadavpur, Kolkata – 400047, West Bengal, India
Ms. Reeta Yadav <i>Designation:</i> Non-executive Director	56	00324435	Hiland Park, 6D/1, Isle Tower 1925, Chak Garia, Kolkata- 700094, West Bengal, India
Mr. Sourav Daspatnaik <i>Designation:</i> Non-executive, Independent Director	54	02147356	368, Salt Lake, Sector 1, Block AE, Bidhannagar (N) Parghanas 24 Parghanas, Kolkata 700064, West Bengal, India

<b>Name and Designation</b>	<b>Age (years)</b>	<b>DIN</b>	<b>Address</b>
Mr. Mahesh Kumar Maheshwari	71	07242845	164/1A/2, Lake Gardens, Kolkata 700045, West Bengal, India
<i>Designation: Non-executive, Independent Director</i>			
Ms. Bijita Sarkar	47	07472264	T3 5A 375, Prince Anwar Shah Road, Jodhpur Park S.O, Jodhpur Park, Kolkata 700068, West Bengal, India
<i>Designation: Non-executive, Independent Director</i>			
Mr. Vipul Kundalia	47	07923213	FLT- 1D, Rameswara Aptt, 19A, Sarat Bose Road, Kolkata 700020, West Bengal, India
<i>Designation: Non-executive, Independent Director</i>			
Mr. Prabir Kumar Chatterjee	67	01222895	Flat 3E, F Shrachi Lake Green 10A/1 Gobindapur Road, Kolkata 700045, West Bengal, India
<i>Designation: Non-executive, Independent Director</i>			

For profiles and further details in respect of our Directors, see “*Our Management*” on page 128.

### **Selling Shareholder**

Mr. Rajendra Prasad Yadav, one of the Promoters and Chairman and Managing Director of our Company is offering 1,000,000 Equity Shares in the Offer.

### **Chief Financial Officer**

Mr. Saurabh Sett is the Chief Financial Officer of our Company. His contact details are as follows:

#### **Mr. Saurabh Sett**

##### **Genius Consultants Limited**

Synthesis Business Park, Tower 1 C  
First Floor, CBD/1, Action Area II New Town  
Kolkata 700157, West Bengal, India

**Telephone:** +91 33 6607 5811

**Facsimile:** +91 33 6607 5802

**Email:** ssett@geniusconsultant.com

### **Company Secretary and compliance officer**

Mr. Indrajit Poddar is the company secretary and compliance officer of our Company. His contact details are as follows:

#### **Mr. Indrajit Poddar**

##### **Genius Consultants Limited**

Synthesis Business Park, Tower 1 C  
First Floor, CBD/1, Action Area II New Town  
Kolkata 700 157, West Bengal, India

**Telephone:** +91 33 6607 5868

**Facsimile:** +91 33 6607 5802

**Email:** cs@geniusconsultant.com

Investors may contact the company secretary and compliance officer of our Company and/ or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of refunds by electronic mode or unblocking of ASBA accounts etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All grievances, other than those of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, the ASBA Form number, Bidder’s DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of ASBA Form and the name and address of the relevant Designated Intermediary(ies) where the ASBA Form was submitted. Further, the Bidder shall enclose the Acknowledgment

Slip or the application number from the Designated Intermediary(ies) in addition to the documents or information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

### Book Running Lead Managers

#### SBI Capital Markets Limited

202, Maker Tower E  
Cuffe Parade, Mumbai 400 005  
Maharashtra, India

**Telephone:** +91 22 2217 8300

**Facsimile:** +91 22 2218 8332

**E-mail:** genius.ipo@sbicaps.com

**Investor Grievance E-mail:**  
investor.relations@sbicaps.com

**Website:** www.sbicaps.com

**Contact Person:** Janardhan Wagle/ Aditya Deshpande

**SEBI Registration No.:** INM000003531

#### YES Securities (India) Limited

IFC Tower 1&2, Unit No. 602A, 6th Floor,  
Senapati Bapat Marg  
Elphinstone Road (W), Mumbai 400 013,  
Maharashtra, India

**Telephone:** +91 22 3012 6919

**Facsimile:** +91 22 2421 4508

**E-mail:** genius.ipo@yesscuritiesltd.in

**Website:** www.yesinvest.in

**Investor Grievance E-mail:**

igc@yesscuritiesltd.in

**Contact Person:** Mukesh Garg/ Chandresh  
Sharma

**SEBI Registration No.:** MB/INM000012227

### Statement of inter-se allocation of responsibilities among the BRLMs

The responsibilities and coordination by the BRLMs for various activities in this Offer are as follows:

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring with relative components and formalities	BRLMs	SBICAP
2.	Due diligence of our Company including its operations/management/business/plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing.	BRLMs	SBICAP
3.	Coordination with Auditors on restated financial statements and all Auditors deliverables	BRLMs	SBICAP
4.	Drafting and approval of all publicity material including media monitoring, corporate advertising, brochure, etc.	BRLMs	SBICAP
5.	Appointment of Bankers to the Offer, Registrar to the Offer, printer, advertising agency and monitoring agency (including coordinating all agreements, if any to be entered with such parties)	BRLMs	YES Securities
6.	Preparation of roadshow presentation and preparation of frequently asked questions for the road show team.	BRLMs	YES Securities
7.	Non-institutional and retail marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>• Finalising media, marketing and public relations strategy;</li> <li>• Finalising centers for holding conferences for brokers, etc.;</li> <li>• Follow-up on distribution of publicity and Offer material including forms, the Prospectus and deciding on the quantum of Offer material; and</li> <li>• Finalising collection centers</li> </ul>	BRLMs	YES Securities
8.	Domestic Institutional marketing of the Offer, which will cover, <i>inter alia</i> finalising the list and division of investors for one to one meetings and institutional allocation	BRLMs	SBICAP

S. No.	Activity	Responsibility	Coordinator
9.	International Institutional marketing of the Offer, which will cover, <i>inter alia</i> finalising the list and division of investors for one to one meetings and institutional allocation	BRLMs	YES Securities
10.	Managing the book and finalisation of Offer Price, in consultation with the Selling Shareholder and the Company	BRLMs	SBICAP
11.	Co-ordination with the Stock Exchanges for book-building process including software, bidding terminals, etc.	BRLMs	YES Securities
12.	Post Offer activities, which shall involve: <ul style="list-style-type: none"> <li>essential follow-up steps, advising the Company about the closure of the Offer based on the Bid file, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of Equity Shares, demat credit etc., including co-ordination with various agencies connected with the intermediaries such as registrar to the Offer;</li> <li>coordinating with Stock Exchanges and SEBI for release of 1% security deposit post-closure of the Offer.</li> <li>Payment of applicable securities transaction tax on the sale of unlisted Equity Shares by the Selling Shareholder under the Offer for Sale included in the Offer to the GoI and filing of the securities transaction tax return by the prescribed due date as per Chapter VII of the Finance (no. 2) Act, 2004.</li> </ul>	BRLMs	YES Securities

### Syndicate Members

[•]

### Legal Counsel to the Offer as to Indian Law

#### Shardul Amarchand Mangaldas & Co

Amarchand Towers  
216, Okhla Industrial Estate Phase – III  
New Delhi 110 020, India  
**Telephone:** +91 11 4159 0700  
**Facsimile:** +91 11 2692 4900

### Registrar to the Offer

#### Link Intime India Private Limited

C-101, 1st Floor, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai 400 083, Maharashtra, India  
**Telephone:** +91 22 4918 6200  
**Facsimile:** +91 22 4918 6195  
**E-mail:** genius.ipo@linkintime.co.in  
**Investor Grievance E-mail:** genius.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Contact Person:** Shanti Gopalakrishnan  
**SEBI Registration No.:** INR000004058

### Banker(s) to the Offer/ Anchor Escrow Bank

[•]

### Refund Bank

[•]

### Self Certified Syndicate Banks

The list of SCSBs is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> on the website of the SEBI, or at such other website as may be prescribed by SEBI from time to time. A list of the

Designated Branches of the SCSBs with which a Bidder (other than an Anchor Investor), not bidding through Syndicate/sub-Syndicate or through a Registered Broker, CRTA or CDP, may submit the Bid cum Application Forms is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> on the website of the SEBI, or at such other websites as may be prescribed by SEBI from time to time.

### **Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the members of Syndicate at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>).

### **Broker Centres/ Designated CDP Locations/ Designated RTA Locations**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers is available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Auditors to our Company**

#### **Walker Chandiook & Co LLP**

*Chartered Accountants*

10C, Hungerford Street

5<sup>th</sup> Floor, Kolkata 700 017

**Telephone:** +91 33 40508000

**Facsimile:** +91 11 4278 7071

**E-mail:** Anamitra.Das@in.gt.com

**ICAI Firm Registration Number:** 001076N/N500013

**Peer Review No.:** 009046

### **Bankers to our Company**

#### **Kotak Mahindra Bank Limited**

Kotak Infinity, 4th Floor, Building no. 21

Infinity Park, Off Western Express Highway

General A.K. Vaidya Marg, Malad (East)

Mumbai 400 097, Maharashtra, India

**Telephone:** +91 22 6605 4884

**Facsimile:** +91 22 6725 9063

**E-mail:** tapobrat.chaudhuri@kotak.com

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

**Contact Person:** Tapobrat Chaudhuri

#### **HDFC Bank Limited**

Block A & B, 1st floor, 8 N.S. Road

Kolkata 700 001

West Bengal, India

**Telephone:** +91 98364 08664

**E-mail:** ramchandra.mukhopadhyay@hdfcbank.com

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

**Contact Person:** Ramachandra Mukhopadhyay

### **Appraising Entity**

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

### **Monitoring Agency**

Our Company shall appoint a Monitoring Agency in terms of Regulation 16 of the SEBI ICDR Regulations prior to filing the Red Herring Prospectus with the RoC.

## Expert

Except as stated below, our Company has not obtained any expert opinions.

Our Company has received consent dated March 20, 2018 from the Auditor, Walker Chandiok & Co LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as required under Section 26(1)(a)(v) of the Companies Act 2013 and as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as the statutory auditor of our Company in respect of their examination report dated March 16, 2018 on our Restated Financial Statements and the Statement of Tax Benefits dated March 20, 2018. Such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

## Credit Rating

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

## Trustees

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

## Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company and the Selling Shareholder in consultation with the BRLMs and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Bengali daily, Bengali being the regional language of Kolkata, where our Registered Office is located), at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their website. The Offer Price shall be determined by our Company and the Selling Shareholder, in consultation with the BRLMs after the Bid/Offer Closing Date.

**All Bidders (except Anchor Investors) can participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

**In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except in relation to Retail Individual Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis.** For further details on method and process of Bidding, see “*Offer Structure*” on page 220.

**The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.**

Investors should note the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

## Illustration of Book Building Process and the Price Discovery Process

*(Investors should note that the following is solely for the purpose of illustration and is not specific to this Offer, and does not illustrate bidding by Anchor Investors)*

Bidders can Bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres during the bid period. The illustrative book as shown below indicates the demand for the equity shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24.00	500	16.67%
1,000	23.00	1,500	50.00%
1,500	22.00	3,000	100.00%
2,000	21.00	5,000	166.67%
2,500	20.00	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. Our Company and the Selling Shareholder, in consultation with the BRLMs, will finalise the Offer Price at or below such cut-off, i.e., at or below ₹ 22.00. All bids at or above the Offer Price and cut-off price are valid bids and are considered for allocation in the respective categories.

### Underwriting Agreement

After the determination of the Offer Price but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, each of the BRLMs will be severally responsible for bringing in the amount devolved, in the event any of their respective Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.*

Name, address, telephone, fax and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	(₹ in million)
		Amount Underwritten
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalised after the pricing and actual allocation of Equity Shares and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them.

## CAPITAL STRUCTURE

Set forth below is the share capital of our Company as on the date of this Draft Red Herring Prospectus.

Particulars	Aggregate nominal value (in ₹)	Aggregate value at Offer Price (in ₹)
<b>A) AUTHORISED SHARE CAPITAL*</b>		
25,000,000 Equity Shares of ₹ 10 each	250,000,000	-
<b>B) ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>		
18,112,500 Equity Shares of ₹ 10 each	181,125,000	-
<b>C) OFFER**</b>		
Offer of up to [●] Equity Shares aggregating up to ₹ [●] million	[●]	[●]
<i>Comprising:</i>		
<i>Fresh Issue of up to [●] Equity Shares</i>	[●]	[●]
<i>Offer for sale of up to 1,000,000 Equity Shares</i>	[●]	[●]
<b>D) ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER</b>		
[●] Equity Shares of ₹ 10 each	[●]	
<b>E) SECURITIES PREMIUM ACCOUNT</b>		
Before the Offer		NIL
After the Offer		[●]

\* For details of the changes in the authorised share capital of our Company, see “**History and Certain Corporate Matters – Amendments to our Memorandum of Association**” on page 123.

\*\* The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on January 4, 2018 and the Fresh Issue has been authorised by our shareholders pursuant to a resolution passed at their extraordinary general meeting held on March 16, 2018. The Selling Shareholder has confirmed and authorised his participation in the Offer for Sale pursuant to a consent letter dated March 26, 2018. For details see “**Other Regulatory and Statutory Disclosures**” on page 206.

### Notes to Capital Structure

#### 1. History of the share capital of our Company

The following table sets forth the history of the equity share capital of our Company.

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
July 20, 1993	200	10.00	10.00	Cash	Subscription to the Memorandum of Association <sup>(1)</sup>	200	2,000
March 31, 1994	4,000	10.00	10.00	Cash	Further issue <sup>(2)</sup>	4,200	42,000
March 15, 1995	8,300	10.00	10.00	Cash	Further issue <sup>(3)</sup>	12,500	125,000
March 30, 1996	39,500	10.00	10.00	Cash	Further issue <sup>(4)</sup>	52,000	520,000
November 15, 1997	5,000	10.00	10.00	Cash	Further issue <sup>(5)</sup>	57,000	570,000
August 30, 1999	500	10.00	10.00	Cash	Further issue <sup>(6)</sup>	57,500	575,000
March 29, 2007	230,000	10.00	N.A.	N.A.	Bonus issue in the ratio of 4:1 <sup>(7)</sup>	287,500	2,875,000
March 31, 2008	402,500	10.00	N.A.	N.A.	Bonus issue in the ratio of 7:5 <sup>(8)</sup>	690,000	6,900,000

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
March 31, 2010	345,000	10.00	N.A.	N.A.	Bonus issue in the ratio 1:2 <sup>(9)</sup>	1,035,000	10,350,000
December 01, 2011	1,035,000	10.00	N.A.	N.A.	Bonus Issue in the ratio of 1:1 <sup>(10)</sup>	2,070,000	20,700,000
November 7, 2013	1,380,000	10.00	N.A.	N.A.	Bonus Issue in the ratio of 2:3 <sup>(11)</sup>	3,450,000	34,500,000
September 28, 2015	2,587,500	10.00	N.A.	N.A.	Bonus issue in the ratio of 3:4 <sup>(12)</sup>	6,037,500	603,75,000
<b>Equity Shares issued in the two years preceding the date of this Draft Red Herring Prospectus</b>							
March 28, 2017	12,075,000	10.00	N.A.	N.A.	Bonus issue in the ratio of 2:1 <sup>(13)</sup>	18,112,500	181,125,000

- (1) Initial subscription to the Memorandum of Association by Mr. Rajendra Prasad Yadav and Ms. Reeta Yadav for 100 Equity Shares each.
- (2) Allotment of 3,000 Equity Shares to Mr. Rajendra Prasad Yadav and 1,000 Equity Shares to Ms. Reeta Yadav.
- (3) Allotment of 6,500 Equity Shares to Mr. Rajendra Prasad Yadav and 1,800 Equity Shares to Ms. Reeta Yadav
- (4) Allotment of 26,850 Equity Shares to Mr. Rajendra Prasad Yadav and 12,650 Equity Shares to Ms. Reeta Yadav
- (5) Allotment of 5,000 Equity Shares to Ms. Reeta Yadav
- (6) Allotment of 100 Equity Shares each to Ms. Seeta Pal, Mr. Swapan Kumar Pal, Mr. Rajesh Kumar Shaw, Ms. Suman Shaw and Mr. Sunil Kumar Shah
- (7) Allotment of 178,000 Equity Shares to Ms. Reeta Yadav, 50,000 Equity Shares to Mr. Rajendra Prasad Yadav and 400 Equity Shares each to Ms. Rashmi Yadav Korada, Mr. Swapan Kumar Pal, Mr. Rajesh Kumar Shaw, Ms. Suman Shaw and Mr. Sunil Shaw pursuant to a bonus issue in the ratio of four Equity Shares for every one Equity Share held
- (8) Allotment of 311,500 Equity Shares to Ms. Reeta Yadav, 87,500 Equity Shares to Mr. Rajendra Prasad Yadav and 700 Equity Shares each to Ms. Rashmi Yadav Korada, Mr. Swapan Kumar Pal, Mr. Rajesh Kumar Shaw, Ms. Suman Shaw and Mr. Sunil Shaw pursuant to a bonus issue in the ratio of seven Equity Shares for every five Equity Shares held
- (9) Allotment of 111,250 Equity Shares to Ms. Reeta Yadav, 232,950 Equity Shares to Mr. Rajendra Prasad Yadav, 600 Equity Shares to Ms. Rashmi Yadav Korada and 50 Equity Shares each to Ms. Suman Shaw, Mr. Swapnesh Kumar, Ms. Pritika Yadav and Ms. Seeta Pal pursuant to a bonus issue in the ratio of one Equity Share for every two Equity Shares held
- (10) Allotment of 333,750 Equity Shares to Ms. Reeta Yadav, 698,850 Equity Shares to Mr. Rajendra Prasad Yadav, 1800 Equity Shares to Ms. Rashmi Yadav Korada and 150 Equity Shares each to Ms. Suman Shaw, Mr. Swapnesh Kumar, Ms. Pritika Yadav and Ms. Seeta Pal pursuant to a bonus issue in the ratio of one Equity Share for every one Equity Share held by them
- (11) Allotment of 445,000 Equity Shares to Ms. Reeta Yadav, 931,800 Equity Shares to Mr. Rajendra Prasad Yadav, 2,400 Equity Shares to Ms. Rashmi Yadav Korada and 200 Equity Shares each to Suman Shaw, Swapnesh Kumar, Pritika Yadav and Seeta Pal pursuant to a bonus issue in the ratio of three Equity Shares for every four Equity Shares held.
- (12) Allotment of 834,375 Equity Shares to Ms. Reeta Yadav, 1,747,125 Equity Shares to Mr. Rajendra Prasad Yadav, 4,500 Equity Shares to Ms. Rashmi Yadav Korada and 375 Equity Shares each to Suman Shaw, Swapnesh Kumar, Pritika Yadav and Seeta Pal Pal pursuant to a bonus issue in the ratio of three Equity Shares for every four Equity Shares held.
- (13) Allotment of 3,893,750 Equity Shares to Ms. Reeta Yadav, 8,153,250 Equity Shares to Mr. Rajendra Prasad Yadav, 21,000 Equity Shares to Ms. Rashmi Yadav Korada and 1,750 Equity Shares each to Suman Shaw, Swapnesh Kumar, Pritika Yadav and Seeta Pal Pal pursuant to a bonus issue in the ratio of one Equity Share for every two Equity Shares held

## 2. Equity Shares issued for consideration other than cash and bonus issues

Our Company has not issued any Equity Shares for consideration other than cash since incorporation. Further, our Company has undertaken bonus issues of Equity Shares on (a) March 29, 2007; (b) March 31, 2008; (c) March 31, 2010; (d) December 1, 2011; (e) November 7, 2013; (f) September 28, 2015; and (g) March 8, 2017, each time by capitalization of the general reserves of the Company. For details, see “ – *History of the share capital of our Company*” above.

## 3. Issue of Equity Shares in the last one year

Our Company has not issued Equity Shares in one year immediately preceding the date of this Draft Red Herring Prospectus.

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

## 4. Employee Stock Option Scheme

Our Company does not have any employee stock option scheme as on date of this Draft Red Herring Prospectus.

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

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

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 18,075,550 Equity Shares, which constitutes 99.80% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company.

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

Date of allotment/transfer	Number of Equity Shares	Face value (₹)	Issue/purchase/selling price (₹)	Nature of consideration	Nature of acquisition/transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)*	
<b>(A)Mr. Rajendra Prasad Yadav</b>								
July 1993	20,	100	10	10.00	Cash	Subscription to memorandum of Association	Negligible	[●]
March 1994	31,	3,000	10	10.00	Cash	Further issue	0.02	[●]
March 1995	15,	6,500	10	10.00	Cash	Further Issue	0.03	[●]
March 1996	30,	26,850	10	10.00	Cash	Further Issue	0.15	[●]
March 1998	9,	(2,500)	10	10.00	Cash	Transfer to Ms. Reeta Yadav	0.01	[●]
July 2003	5,	(1,500)	10	55.00	Cash	Transfer to Ms. Manju Jain	Negligible	[●]
July 2003	5,	(1,500)	10	55.00	Cash	Transfer to Mr. Anil Pandya	Negligible	[●]
July 2003	5,	(1,950)	10	55.00	Cash	Transfer to Mr. Dinesh Pandya	Negligible	[●]
July 2003	5,	(1,500)	10	55.00	Cash	Transfer to Mr. Suresh Kumar Sogani	Negligible	[●]
July 2003	5,	(5,000)	10	55.00	Cash	Transfer to Mr. Pradeep Kumar Jain	0.02	[●]
October 2005	13,	(1,250)	10	72.00	Cash	Transfer to Ms. Shashi Kala Sogani	Negligible	[●]
October 2005	13,	(1,250)	10	72.00	Cash	Transfer to Mr. Pradeep Kumar Jain	Negligible	[●]
October 2005	13,	(4,000)	10	68.75	Cash	Transfer to Mr. Anil Pandya	0.02	[●]
October 2005	13,	(2,000)	10	70.00	Cash	Transfer to Ms. Saroj Kumar Jain	Negligible	[●]
October 2005	13,	(1,500)	10	70.00	Cash	Transfer to Mr. Sourabh Sogani	Negligible	[●]
March 2007	29,	50,000	10	N.A.	N.A.	Bonus issue in the ratio 4:1	0.27	[●]
March 2008	31,	87,500	10	N.A.	N.A.	Bonus issue in the ratio 7:5	0.48	[●]
August 2008	20,	311,500	10	N.A.	N.A.	Gift from Ms. Reeta Yadav	1.71	[●]
June 2009	17,	1,100	10	10.00	Cash	Acquisition from Mr. Rajesh Kumar Shaw	Negligible	[●]
June 2009	17,	1,100	10	10.00	Cash	Acquisition from Mr. Swapan Kumar Pal	Negligible	[●]
September 30, 2009		1,100	10	10.00	Cash	Acquisition from Mr. Sunil Kumar Shaw	Negligible	[●]
March 2009	2,	1,100	10	10.00	Cash	Acquisition from Ms. Suman Shaw	Negligible	[●]
March 2010	31,	232,950	10	N.A.	N.A.	Bonus issue in the ratio 1:2	1.28	[●]

Date of allotment/transfer	Number of Equity Shares	Face value (₹)	Issue/purchase/selling price (₹)	Nature of consideration	Nature of acquisition/transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)*
December 1, 2011	698,850	10	N.A.	N.A.	Bonus issue in the ratio 1:1	3.85	[●]
November 7, 2013	931,800	10	N.A.	N.A.	Bonus issue in the ratio 2:3	5.14	[●]
September 28, 2015	1,747,125	10	N.A.	N.A.	Bonus issue in the ratio 3:4	9.64	[●]
March 8, 2017	8,153,250	10	N.A.	N.A.	Bonus issue in the ratio 2:1	45.01	[●]
June 30, 2017	2,525	10	N.A.	N.A.	Gift from Ms. Seeta Pal	0.01	[●]
June 30, 2017	2,525	10	30.00	Cash	Acquisition from Ms. Suman Shaw	0.01	[●]
<b>Total (A)</b>	<b>12,234,925</b>					<b>67.55</b>	<b>[●]</b>
<b>(B) Ms. Reeta Yadav</b>							
July 20, 1993	100	10	10.00	Cash	Subscription to memorandum of Association	Negligible	[●]
March 31, 1994	1,000	10	10.00	Cash	Further issue	Negligible	[●]
March 15, 1995	1,800	10	10.00	Cash	Further issue	Negligible	[●]
March 30, 1996	12,650	10	10.00	Cash	Further issue	0.07	[●]
November 15, 1997	5,000	10	10.00	Cash	Further issue	0.02	[●]
March 9, 1998	2,500	10	10.00	Cash	Acquisition from Mr. Rajendra Prasad Yadav	0.01	[●]
April 14, 2004	1,500	10	10.00	Cash	Acquisition from Ms. Manju Jain	Negligible	[●]
April 14, 2004	1,500	10	10.00	Cash	Acquisition from Mr. Anil Pandya	Negligible	[●]
April 14, 2004	1,950	10	10.00	Cash	Acquisition from Mr. Dinesh Pandya	Negligible	[●]
April 14, 2004	1,500	10	10.00	Cash	Acquisition from Mr. Suresh Kumar Sogani	Negligible	[●]
April 14, 2004	5,000	10	10.00	Cash	Acquisition from Mr. Pradeep Kumar Jain	0.02	[●]
February 1, 2007	4,000	10	10.00	Cash	Acquisition from Mr. Anil Pandya	0.02	[●]
February 1, 2007	1,250	10	10.00	Cash	Acquisition from Mr. Pradeep Kumar Jain	Negligible	[●]
February 1, 2007	1,250	10	10.00	Cash	Acquisition from Mr. Shashi Kala Sogani	Negligible	[●]
February 1, 2007	1,500	10	10.00	Cash	Acquisition from Mr. Sourabh Sogani	Negligible	[●]
February 1, 2007	2,000	10	10.00	Cash	Acquisition from Ms. Saroj Kumar Jain	Negligible	[●]
March 29, 2007	178,000	10	N.A.	N.A.	Bonus issue in the ratio of 4:1	0.98	[●]
March 31, 2008	311,500	10	N.A.	N.A.	Bonus issue in the ratio of 7:5	1.71	[●]
August 20, 2008	(311,500)	10	N.A.	N.A.	Transfer to Mr. Rajendra Prasad Yadav	1.71	[●]
March 31, 2010	111,250	10	N.A.	N.A.	Bonus issue in the ratio 1:2	0.61	[●]
December 1, 2011	333,750	10	N.A.	N.A.	Bonus issue in the ratio 1:1	1.84	[●]
November 7, 2013	445,000	10	N.A.	N.A.	Bonus issue in the ratio 2:3	2.46	[●]
September	834,375	10	N.A.	N.A.	Bonus issue in the ratio	4.61	[●]

Date of allotment/transfer	Number of Equity Shares	Face value (₹)	Issue/purchase/selling price (₹)	Nature of consideration	Nature of acquisition/transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)*
November 7, 2013	445,000	10	N.A.	N.A.	Bonus issue in the ratio 2:3	2.46	[●]
September 28, 2015	834,375	10	N.A.	N.A.	Bonus issue in the ratio 3:4	4.61	[●]
March 8, 2017	3,893,750	10	N.A.	N.A.	Bonus issue in the ratio 2:1	21.49	[●]
<b>Total (B)</b>	<b>5,840,625</b>					<b>32.25</b>	<b>[●]</b>
<b>Grand Total (A+B)</b>	<b>18,075,550</b>					<b>99.80</b>	<b>[●]</b>

\*Assuming full subscription in the Offer and assuming that all the Equity Shares offered by the Selling Shareholder as part of the Offer for Sale are transferred pursuant to this Offer.

Our Promoters have confirmed to the Company and the BRLMs that the acquisition of the Equity Shares forming part of the Promoters' Contribution have been financed from personal funds and no loans or financial assistance from any banks or financial institution has been availed by for this purpose.

For details relating to the cost of acquisition of Equity Shares by our Promoters, see the "Risk Factors – Prominent Notes" on page 32.

**(b) Shareholding of our Promoters and Promoter Group**

Set forth below is the shareholding of our Promoters and members of our Promoter Group as on the date of this Draft Red Herring Prospectus.

Name of shareholder	Pre-Offer		Post-Offer*	
	Number of Equity Shares	Percentage of Equity Share capital (%)	Number of Equity Shares	Percentage of Equity Share capital (%)
<b>Promoters</b>				
Mr. Rajendra Prasad Yadav	12,234,925	67.55	[●]	[●]
Ms. Reeta Yadav	5,840,625	32.25	[●]	[●]
<b>Total (A)</b>	<b>18,075,550</b>	<b>99.80</b>	<b>[●]</b>	<b>[●]</b>
<b>Promoter Group</b>				
Ms. Rashmi Yadav Korada	31,500	0.17	[●]	[●]
Ms. Pritika Yadav	2,625	0.01	[●]	[●]
Ms. Seeta Pal	100	Negligible	[●]	[●]
<b>Total (B)</b>	<b>34,225</b>	<b>0.18</b>	<b>[●]</b>	<b>[●]</b>
<b>Grand total (A)+(B)</b>	<b>18,109,775</b>	<b>99.98</b>	<b>[●]</b>	<b>[●]</b>

\*Assuming full subscription in the Offer and assuming that all the Equity Shares offered by the Selling Shareholder as part of the Offer for Sale are transferred pursuant to this Offer.

All Equity Shares held by our Promoters will be dematerialised prior to filing the Red Herring Prospectus with the RoC.

**(c) Details of Promoters' contribution and lock-in for three years**

Pursuant to Regulation 36(a) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("Minimum Promoters' Contribution"). All Equity Shares held by our Promoters are eligible for inclusion in the Minimum Promoters' Contribution, in terms of Regulation 33 of the SEBI ICDR Regulations.

Our Promoters have confirmed to the Company and the BRLMs that the acquisition of the Equity Shares forming part of the Minimum Promoters' Contribution have been financed from personal funds and no loans or financial assistance from any banks or financial institution has been availed by for this purpose. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date

of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

Set forth below are the details of the Equity Shares that will be locked up as Minimum Promoters' Contribution for a period of three years from the date of Allotment of Equity Shares in the Offer.

Name of the Promoter	No. of Equity Shares locked-in	Date of allotment	Nature of allotment	Face value (₹)	% of pre-Offer Equity Share capital	% of the fully diluted post-Offer Equity Share capital
Mr. Rajendra Prasad Yadav	[•]	[•]	[•]	[•]	[•]	[•]
Ms. Reeta Yadav	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>	[•]				[•]	<b>20.00</b>

*Note: To be incorporated upon finalization of the Offer Price*

For details of the build-up of the Equity Share capital held by our Promoters, see “- **Build-up of our Promoters' shareholding in our Company**” on page 58.

Our Promoters have given consent to include such number of Equity Shares held by them as will constitute 20% of the fully diluted post-Offer equity share capital of our Company as Minimum Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Equity Shares forming part of the Minimum Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

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

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

- (i) the Equity Shares offered as part of the Minimum Promoters' Contribution do not comprise Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and wherein revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluation reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Minimum Promoters' Contribution;
- (ii) the Minimum Promoters' Contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iii) our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion of a partnership firm; and
- (iv) the Equity Shares held by our Promoters and offered as part of the Minimum Promoters' Contribution are not subject to any pledge.

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

In terms of Regulation 37 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital will be locked-in for a period of one year from the date of Allotment in the Offer, except (a) the Minimum Promoters' Contribution which shall be locked-in as disclosed above; and (b) Equity Shares which are successfully transferred as part of the Offer for Sale;

Any unsubscribed portion of the Equity Shares being offered by the Selling Shareholder in the Offer for Sale, would also be locked-in as required under the SEBI ICDR Regulations.

(e) ***Lock-in of Equity Shares Allotted to Anchor Investors***

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

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

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

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

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

## 6. Our shareholding pattern

Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of the Shareholder (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 No. 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)	No. of Voting Rights held in each class of securities (IX)			No. of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities as a % of diluted share capital (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized from (XIV)
								No. of Voting Rights		Total as a % of total voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg: X	Class eg: Y								
(A)	<b>Promoter &amp; Promoter Group</b>	5	18,109,775	Nil	Nil	18,109,775	99.98	18,109,775	18,109,775	99.98	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(B)	<b>Public</b>	2	2,725	Nil	Nil	2,725	0.02	2,725	2,725	0.02	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C)	<b>Non Promoter-Non Public</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(1)	<b>Shares underlying Custodian/Depository Receipts</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(2)	<b>Shares held by Employee Trusts</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (A)+(B)+(C)</b>	<b>7</b>	<b>18,112,500</b>	<b>Nil</b>	<b>Nil</b>	<b>18,112,500</b>	<b>100</b>	<b>18,112,500</b>	<b>18,112,500</b>	<b>100</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

7. The BRLMs and their respective associates do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

#### 8. Shareholding of Selling Shareholders

S. No.	Name of the Selling Shareholder	Pre-Offer		Post-Offer	
		Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)	Number of Equity Shares held*	Percentage of post-offer Equity Share capital*
1.	Mr. Rajendra Prasad Yadav	12,234,925	67.55	[●]	[●]

\* Assuming full subscription to the Offer

#### 9. Shareholding of our Directors and Key Managerial Personnel in our Company

Name	No. of Equity Shares	Percentage of pre-Offer Equity Share capital (%)
Mr. Rajendra Prasad Yadav	12,234,925	67.55
Ms. Reeta Yadav	5,840,625	32.25
Ms. Rashmi Yadav Korada	31,500	0.17
Ms. Pritika Yadav	2,625	0.01
Mr. Swapnesh Kumar	2,625	0.01
<b>Total</b>	<b>18,112,300</b>	<b>99.99</b>

As on the date of this Draft Red Herring Prospectus, our Company has seven shareholders.

#### 10. Largest shareholders of our Company

(a) The largest shareholders of our Company as on the date of this Draft Red Herring Prospectus and 10 days prior to the date of this Draft Red Herring Prospectus, and the number of Equity Shares held by them are as set forth below.

S. No.	Shareholder	Number of Equity Shares held	Percentage of Equity Share capital (%)
1.	Mr. Rajendra Prasad Yadav	12,234,925	67.55
2.	Ms. Reeta Yadav	5,840,625	32.25
3.	Ms. Rashmi Yadav Korada	31,500	0.17
4.	Ms. Pritika Yadav	2,625	0.01
5.	Mr. Swapnesh Kumar	2,625	0.01
6.	Ms. Seeta Pal	100	0.01
7.	Ms. Suman Shaw	100	Negligible
<b>Total</b>		<b>18,112,500</b>	<b>100</b>

(b) The largest shareholders of our Company as of two years prior to the date of this Draft Red Herring Prospectus are set forth below.

S. No.	Shareholder	Number of Equity Shares held	Percentage of Equity Share capital (%)
1.	Mr. Rajendra Prasad Yadav	4,076,625	67.52
2.	Ms. Reeta Yadav	1,946,875	32.25
3.	Ms. Rashmi Yadav Korada	10,500	0.18
4.	Ms. Pritika Yadav	875	0.02
5.	Mr. Swapnesh Kumar	875	0.01
6.	Ms. Suman Shaw	875	0.01
7.	Ms. Seeta Pal	875	0.01
<b>Total</b>		<b>6,037,500</b>	<b>100</b>

11. None of our Promoters, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased, or financed the sale or purchase of, Equity Shares by any other person, other than in the normal course of business of the financing entity, during the six months immediately preceding the date of

this Draft Red Herring Prospectus.

12. Our Company, the Selling Shareholder, our Promoters, members of our Promoter Group, Directors and the BRLMs have not entered into any buy back and/or standby arrangements for the purchase of Equity Shares being offered through this Offer from any person.
13. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholder, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.
14. No payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.
15. None of the Equity Shares held by the members of our Promoter Group are pledged or otherwise encumbered. None of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered.
16. Our Company has not raised any bridge loans against the Net Proceeds.
17. An oversubscription to the extent of 10% of the Offer can be retained for the purpose of rounding-off to the nearest multiple of minimum Allotment lot while finalizing the Basis of Allotment.
18. Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.
19. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
20. The Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which, no Allotment shall be made.
21. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act 1956.
22. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be
23. Our Company does not intend or propose to alter its capital structure for six months from the Bid/Offer Opening Date, including by way of a split or consolidation of the denomination of the Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise.
24. Except to the extent of Equity Shares offered by Mr. Rajendra Prasad Yadav in the Offer for Sale our Promoters and members of our Promoter Group will not participate in the Offer.
25. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
26. Except for Mutual Funds sponsored by entities related to the BRLMs and Syndicate members, any persons related to the BRLMs or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion.
27. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus filed in relation to this Offer with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

A Bidder cannot make a Bid exceeding the number of Equity Shares offered through this Offer and subject to the investment limits or maximum number of Equity Shares that can be held by them under applicable law. For more information, see “*Offer Procedure*” on page 226.

## OBJECTS OF THE OFFER

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

### Offer for Sale

The Offer includes an Offer for Sale of 1,000,000 Equity Shares by the Selling Shareholder. Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholder.

### Fresh Issue

The objects for which the Net Proceeds (as defined below) of the Fresh Issue will be utilized are as set forth below.

- a) Funding working capital requirements;
- b) Funding expenditure for upgrading the IT infrastructure;
- c) Funding capital expenditure for setting up branch offices at the New Locations (defined below) and re-location of branch offices at Mumbai and Chennai;
- d) Funding strategic acquisitions and initiatives; and
- e) General corporate purposes.

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

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue. Further, the activities we have been carrying out until now are in accordance with the main objects clause of our Memorandum of Association.

### Offer Proceeds

The details of the proceeds of the Offer are set forth below.

		(₹ in million)
S. No.	Particulars	Amount*
(a)	Gross proceeds of the Offer	[●]
(b)	Less: Proceeds of the Offer for Sale (including the Offer expenses to the extent borne by the Selling Shareholder)	[●]
(c)	Less: Offer related expenses to the extent borne by our Company**	[●]
(d)	Net proceeds of the Fresh Issue (the “Net Proceeds”)	[●]

\*To be finalized upon determination of Offer Price.

\*\*The fees and expenses relating to the Offer shall be shared in the proportion of the Equity Shares being offered by each of our Company and the Selling Shareholder in this Offer, in accordance with Companies Act and other applicable laws, except for the listing fees which will be borne exclusively by the Company. For details, see “- Offer related Expenses” below.

### Utilization of Net Proceeds

The Net Proceeds of the Fresh Issue will be utilised as set forth below.

		(₹ in million)
S. No.	Particulars	Amount
(a)	Funding working capital requirements	550.00
(b)	Funding expenditure for upgrading the IT infrastructure	309.24
(c)	Funding capital expenditure for setting up branch offices at the New Locations and re-location of branch offices at Mumbai and Chennai	29.04
(d)	Funding strategic acquisitions and initiatives	300.00
(e)	General corporate purposes	[●]*
<b>Total</b>		<b>[●]*</b>

\*To be finalized upon determination of Offer Price.

### Schedule of Implementation and Deployment of Funds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set out below.

(₹ in million)

S. No.	Particulars	Amount	Estimated utilisation in fiscal 2019	Estimated utilisation in fiscal 2020
1.	Funding working capital requirements	550.00	182.26	367.74
2.	Funding expenditure for upgrading the IT infrastructure	309.24	110.24	199.00
3.	Funding capital expenditure for setting up branch offices at the New Locations and re-location of branch offices at Mumbai and Chennai	29.04	10.00	19.04
4.	Funding strategic acquisitions and initiatives	300.00	100.00	200.00
5.	General corporate purposes	[●]*	[●]*	[●]*
	<b>Total</b>	[●]*	[●]*	[●]*

\*To be finalized on determination of the Offer Price. The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards the Objects of the Fresh Issue.

### Means of Finance

We propose to meet the fund requirements of all the objects of the Fresh Issue detailed above entirely from the Net Proceeds. Accordingly, Paragraph VII C of Part A of Schedule VIII of the SEBI ICDR Regulations (requiring us to confirm that firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount raised through the Fresh Issue, have been made) does not apply. Further, as confirmed by SSKA & Associates, chartered accountants, by their certificate dated March 28, 2018, we have not deployed any funds towards any of the objects set forth below as on the date of this Draft Red Herring Prospectus.

Our fund requirements and the deployment of funds for funding expenditure for upgrading the IT infrastructure are based on the quotations received from (i) Netcom Infotech Private Limited, a supplier of IT infrastructure products and services for purchase of IT hardware and software; (ii) Vodafone Mobile Services Limited for installing multi-protocol label switching (“MPLS”) and internet leased line (“ILL”) at our Registered and Corporate Office and other branch offices; (iii) Diadem Technologies Private Limited for purchase of server hosting solution with disaster recovery; and (iv) in relation to (a) receiving consultancy services in relation to obtaining CMMI certification in relation to our IT systems from JNJ Management Consultancy Services and (b) subscribing to bulk SMS services provided by Infobip India Private Limited; and the total estimated cost based on such quotations was placed before and approved by our Board pursuant to a resolution dated March 16, 2018. Further, our fund requirements and the deployment of funds for funding capital expenditure for setting up branch offices in each of the New Locations (defined below) are based on the internal estimates of our management, which were placed before and approved by our Board of our Directors by their resolution dated March 16, 2018.

Further, our fund requirement and the deployment of funds for strategic acquisitions and initiatives are based on our Board's discussion and resolution dated March 16, 2018. However, our fund deployment towards our potential acquisitions and initiatives will depend on various factors, which will also determine the form of investment for such initiatives, i.e., whether they will involve equity, debt or any other instrument or combination thereof. At this stage, our Company cannot determine whether the form of investment will be equity, debt or any other instrument or combination thereof. The portion of the Net Proceeds allocated towards this Object may not be the total value or cost of any such strategic initiatives, but is expected to provide us with sufficient financial leverage to enter into binding agreements. In the event that there is a shortfall of funds required for such strategic initiatives, such shortfall shall be met out of the portion of the Net Proceeds allocated for general corporate purposes and/or through our internal accruals or debt financing or any combination thereof.

However, such fund requirements for these Objects have not been appraised by any bank or financial institution. As on the date of this Draft Red Herring Prospectus, we have not entered into any definitive agreements or placed any orders in relation to upgradation of the IT infrastructure or the proposed setting up or relocating our branch offices in or relation to any acquisition. Further, as some of the quotations received are valid up to the period mentioned in the respective quotations, we may be required to obtain revised quotations prior to placing firm orders or entering into definitive agreements.

In the event of any increase in the actual utilization of funds earmarked for the objects, such additional funds will be met by way of means available to our Company, including from internal accruals and any additional equity and/or debt arrangements. In the event that the actual utilization towards any of the objects of the Fresh Issue is

lower than the proposed deployment, such balance will be used for future growth opportunities including general corporate purposes. In the event that the estimated utilization out of the Net Proceeds in a fiscal is not completely met, such amounts shall be utilized in the next fiscal. Moreover, we may be required to revise our estimated expenditure, fund allocation and deployment schedule, owing to factors such as general or local economic and business conditions, escalation in costs, increased competition, changes in design or configuration of the premises identified by us, changes in regulations or delays in obtaining regulatory approvals, other preoperative expenses and other external factors, which may not be within the control of our management.

## Details of the Objects

### 1. Funding Working Capital Requirements

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and financing from various banks.

The aggregate outstanding working capital facilities as of March 31, 2017 was ₹ 184.84 million and as of March 31, 2016 was ₹ 158.12 million. For further information, see “*Financial Indebtedness*” on page 197.

#### *Basis of estimation of working capital requirement and estimated working capital requirement*

Our Company’s existing working capital requirement and funding on the basis of our Restated Financial Statements, as on March 31, 2017 and March 31, 2016 are as follows:

	(₹ in million)	
Particulars	March 31, 2017	March 31, 2016
<b>Current Assets</b>		
Trade receivables	602.37	422.03
Fixed deposits under lien for overdraft facilities	93.59	102.19
Other Current Assets	124.78	112.28
<b>Total Current Assets (A)</b>	<b>820.74</b>	<b>636.50</b>
<b>Current Liabilities</b>		
Other Current Liabilities	546.63	487.31
Short-term provisions	3.39	2.14
<b>Total Current Liabilities (B)</b>	<b>550.02</b>	<b>489.45</b>
<b>Working Capital (A) – (B)</b>	<b>270.27</b>	<b>147.05</b>
<b>Existing funding pattern</b>		
Short term borrowings	184.84	147.05
Internal accruals	85.88	-
<b>Total</b>	<b>270.72</b>	<b>147.05</b>

The estimated working capital requirements and for fiscals 2019 and 2020 are as follows:

	(₹ in million, unless stated otherwise)	
Particulars	March 31, 2019	March 31, 2020
<b>I. Current Assets</b>		
1. Trade receivables	841.20	1,024.06
2. Other current assets	289.30	351.76
<b>Total Current Assets (A)</b>	<b>1,130.50</b>	<b>1,375.82</b>
<b>II. Current Liabilities (B)</b>		
1. Other current liabilities	762.24	885.92
2. Short term provisions	3.75	3.93
<b>Total Current Liabilities</b>	<b>765.99</b>	<b>889.86</b>
<b>III. Total Working Capital Requirement (A-B)</b>	<b>364.52</b>	<b>485.96</b>
<b>IV. Proposed Funding Pattern</b>		
1. Net Proceeds of the Issue	182.26	367.74
2. Internal accruals/working capital funding from banks	182.26	118.22
<b>Total</b>	<b>364.52</b>	<b>485.96</b>

Our Company proposes to utilize ₹ 182.26 million and ₹ 367.74 million of the Net Proceeds in fiscal 2019 and fiscal 2020, respectively, towards working capital requirements, for meeting our future business requirements.

*Justification and assumption for holding levels*

<b>Trade receivables</b>	Our general credit terms vary across business verticals and clients. We currently provide the holding level for trade receivable ranging from 30 to 45 days. We have assumed an average debtor's turnover ratio of 52 days for fiscal 2019 and fiscal 2020 which is in line with our strategy to service clients demanding longer holding period, i.e., ranging from 45-60 days.
<b>Employee Benefits Payable</b>	We expect employee benefits payable to increase due to increase in accrued salaries and other employee benefits in line with the expected growth in business. We have assumed an average of 13 days of employee benefit expense for fiscal 2019 and fiscal 2020 which, currently stands at approximately 23 days of employee benefit expense.
<b>Other current assets</b>	Other current assets are computed from the historic restated financials information. Our Company has assumed the average holding level for other current assets as 9 days of revenue from operations for fiscal 2019 and fiscal 2020, which is currently stands at approximately 7 days of revenue from operations.

Our Auditors have, pursuant to a certificate dated March 28, 2018, SSKA & Associates, chartered accountants, have certified the working capital requirements of our Company. See "**Material Contracts and Documents for Inspection**" on page 296.

**2. Funding expenditure for upgrading the IT infrastructure**

Our focus on achieving technological and operational excellence has helped us increase our efficiency, operations of scale and geographic expansions across India. We strive to continually upgrade and better our processes through our research and development efforts. Our in-house IT systems are supported by dedicated servers and web enabled services, which allow our clients and Associates to have unique user identification and passwords for accessing our Company's portal. Our information security management system, which has been certified to be compliant with the requirements of ISO/IEC 27001:2013 for providing services of software package development, data application, helps us achieve more secure deployment and help protecting confidentiality of data and information pertaining to our clients. Our in-house customisable IT systems and software provide for various web enabled services covering several HR functions including sourcing of Professionals, SAAS payroll processing for managing clients' payroll systems and online payment of salaries and reimbursements to Associates, among others.

We propose to utilize ₹ 309.24 million from the Net Proceeds towards upgrading our existing IT infrastructure and satisfying the IT requirements for our proposed branch offices at the New Locations, including our internal IT infrastructure, including server and back-up, desktop, networking, data centre, internet bandwidth, security for our information security management system (including anti-virus), web and mobile applications and e-mail solutions to upgrade our in-house IT systems.

We further propose to undertake installation of MPLS at our Registered and Corporate Office, from where we intend to distribute such additional internet bandwidth across our branch offices. We also propose to utilize the Net Proceeds to subscribe to bulk SMS and e-mail services, which believe will improve our interactions with our Associates and clients. We further propose to utilise the Net Proceeds towards obtaining a capability maturity model integration ("CMMI") certification for our IT systems, for which we intend to receive consultancy services.

Provided below are brief details of the costs to be incurred in upgradation of the existing IT infrastructure.

Particulars	Total estimated cost	(₹ in million)	
		Amount to be funded from the Net Proceeds	
IT software and services*	96.38	96.38	96.38
IT hardware*	154.67	154.67	154.67
Dedicated server hosting solution with disaster recovery/ BCP plan**	4.28	4.28	4.28
Purchase of ILL and MPLS for eight locations#	4.00	4.00	4.00
Other services##	2.74	2.74	2.74
Applicable GST	47.17	47.17	47.17

Particulars	Total estimated cost	Amount to be funded from the Net Proceeds
<b>Total</b>	<b>309.24</b>	<b>309.24</b>

\* As per the quotation dated March 14, 2018 issued by Netcom Infotech Private Limited. The quotation is valid for 30 days from the date of the quotation

\*\* As per the quotation dated March 13, 2018 issued by Diadem Technologies Private Limited. The quotation is valid for 30 days from the date of the quotation

# As per the quotation dated March 15, 2018 issued by Vodafone Mobile Services Limited. The quotation is valid for 30 days from the date of the quotation

## As per the quotation dated March 16, 2018 issued by JNJ Management Consultancy Services, which is valid until April 15, 2018; quotation dated March 16, 2018 issued by Infobip India Private Limited, which is valid for 30 days from the date its preparation and quotation dated March 15, 2018 obtained from Benchmark Internet Group

For the purposes of purchasing abovementioned IT equipment, software and services, we have received a consolidated quotation from Netcom Infotech Private Limited, which are valid as on the date of the Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any vendor and there can be no assurance that the same vendor 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 offices, according to the business requirements of such offices and based on the estimates of our management.

### 3. Funding capital expenditure for setting up branch offices in the New Locations and re-location of branch offices at Mumbai and Chennai

We propose to utilise ₹ 29.04 million from the Net Proceeds towards funding capital expenditure for (A) setting up branch offices in (i) Gurugram, (ii) NOIDA, (iii) Jaipur, (iv) Vijaywada, (v) Coimbatore, (vi) Surat, (vii) Ranchi, (viii) Nagpur, (ix) Vadodara, (x) Madurai and (xi) Jamshedpur (collectively, the “**New Locations**”); and (B) re-locate our branch offices at Mumbai and Chennai.

We propose to take on lease office space at each of the New Locations, to open new branch offices at each such location, in line with the first phase of our strategy to foray into Tier II cities. We have placed Associates with clients in these locations, the details of which are set forth below, and believe that setting up branch offices in these cities will improve our operational efficiencies, our visibility and presence therein and proximity to our clients in such cities. At each of the New Locations we propose to take on lease an area admeasuring 2,500 sq. ft.

S. No.	New Location	Number of Associates as on February 5, 2018
1.	Gurugram	1,195
2.	NOIDA	1,013
3.	Jaipur	611
4.	Vijaywada	290
5.	Coimbatore	490
6.	Surat	444
7.	Ranchi	378
8.	Nagpur	301
9.	Vadodara	257
10.	Madurai	253
11.	Jamshedpur	177

Additionally, we propose to re-locate our branch office in Mumbai to a larger office space, admeasuring approximately 7,000 sq. ft., to accommodate the increased number of core employees working out of our Mumbai branch office. As on February 5, 2018 we had 42 core employees working out of our Mumbai branch office and we propose to increase this number to 65 core employees by fiscal 2020. Further, we propose to re-locate to new premises at T. Nagar in Chennai, admeasuring approximately 4,000 sq. ft., which will make us centrally located and provide easier access to clients. Further, we propose to increase the number of core employees at our Chennai branch office from 28 employees to 40 employees by fiscal 2020.

Set forth below are the cost estimates as prepared internally by our management as approved by our Board of Directors pursuant to their resolution dated March 16, 2018.

#### *Estimated Costs*

Based on our estimates, we propose to re-locate to a property within each of the New Locations that provide us visibility with and easier access to potential clients. At Mumbai, we propose to re-locate to a new property within the same area as our present office and at Chennai, we propose to re-locate our branch office at T. Nagar.

The detailed break-down of the estimated cost is set forth below, for an office space of (a) approximately 2,500 sq. ft. at each of the New Locations, (b) approximately 7,000 sq. ft. at Mumbai and (c) approximately 4,000 sq. ft. at Chennai.

		<i>(₹ in million)</i>
<b>Particulars</b>	<b>Amount</b>	
Deposit for leased premises		20.28
Stamp duty		4.97
Miscellaneous expenditure (including furniture, fittings and other contingencies)		3.79
<b>Total</b>		<b>29.04</b>

*As certified by SSKA & Associates by their certificate dated March 28, 2018*

#### *Electricity and water requirements*

We propose to lease premises in a completed and ready-for-possession project. Accordingly, such office space will already have adequate electricity and water connections provided by the lessor.

#### *Government and other approvals*

We do not need any specific government or other approvals as we propose to take on lease office space at the New Locations, Mumbai and Chennai in a completed and ready-for-possession project for which all the relevant government and other approvals would already have been obtained by the lessor.

#### **4. Funding strategic acquisitions and initiatives**

In accordance with our strategy of inorganic growth through strategic acquisitions, we continue to evaluate opportunities and identify targets to acquire, which will complement our overall strategy and vision of expanding in IT-staffing, particularly, IT-skilled staffing. We continue to selectively evaluate targets or partners for strategic acquisitions and investments, so as to strengthen our flexi staffing solutions vertical with focus on IT staffing, and expand our client portfolio and to benefit from economies of scale, leveraging operational synergies and prior experience of our prospective target or partner, knowledge sharing and acquiring new product platforms in order to strengthen our position as a provider of HR Solutions. Our strategy is to seek to acquire businesses with high growth potential, along with their existing client relationships and product and process competencies, and to integrate and grow their businesses through enhanced quality and servicing parameters, integration of IT systems and platforms coupled with our management know-how and experience. In particular, we intend to explore opportunities in the IT and ITeS sectors to complement our existing business and to leverage our existing products to offer our clients a wider, flexible and more comprehensive range of services. We may also seek to expand our nationwide operations, based on demand and workforce logistics in various geographies, to fuel our growth, going forward.

We intend to utilise ₹ 300.00 million from the Net Proceeds towards such potential strategic acquisitions and initiatives. As on the date of this Draft Red Herring Prospectus, we have not entered into any definitive agreements towards any such potential strategic acquisitions or initiatives. This amount is based on our management's current estimates of the amounts to be utilised, considering our discussions and negotiations with potential acquisition targets and partners and other relevant considerations. The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of strategic initiatives undertaken, as well as general factors affecting our results of operation, financial condition and access to capital.

#### **5. General corporate purposes**

The Net Proceeds will first be utilized towards the Object of the Fresh Issue set out above, as well as meeting the Offer related expenses. Subject to this, our Company intends to deploy any balance amount of the Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the gross proceeds, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, meeting exigencies or other expenses which our Company may face in the ordinary course of its business; undertaking further phases of geographic expansion in India and overseas; strategic investments

and acquisitions and/or entering into joint ventures, in accordance with our business strategies and with companies/entities that complement our business; advertising, branding and sales promotion; and any other corporate purposes, as may be decided by the Board of Directors or a duly constituted committee thereof, from time to time.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.

### Offer related Expenses

The total expenses of the Offer are estimated to be ₹ [●] million. The breakup of the estimated Offer expenses is set forth below:

S. No.	Activity	Estimated amount* (₹ in million)	As a % of total estimated Offer Expenses*	As a % of Offer Size*
1.	Payment to BRLMs (including brokerage and selling commission payable to members of the syndicate <sup>(3)</sup> )	[●]	[●]	[●]
2.	Commission and processing fees for SCSBs <sup>(1) (2)</sup> and Bidding Charges <sup>(4)</sup> for Registered Brokers, RTAs and CDPs	[●]	[●]	[●]
3.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
4.	Others:	[●]	[●]	[●]
	(i) Listing fees, SEBI filing fees, BSE and NSE processing fees, book building software fees and other regulatory expenses;			
	(ii) Printing, stationery and distribution expenses;			
	(iii) Advertising and marketing expenses;			
	(iv) Fees payable to the Auditor;			
	(v) Fees payable to Legal Counsels; and			
	(vi) Miscellaneous			
<b>Total Estimated Offer Expenses</b>		[●]	[●]	[●]

\* To be incorporated in the Prospectus after finalisation of the Offer Price.

(1) Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Investors*	[●]% of the Amount Allotted (plus applicable tax)
Portion for Non-Institutional Investors*	[●]% of the Amount Allotted (plus applicable tax)

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

No additional bidding charges shall be payable by the Selling Shareholder to the SCSBs on the applications directly procured by such SCSBs.

(2) Processing fees payable to the SCSBs on the portion for Retail Individual Investors, and Non-Institutional Investors, which are procured by the Members of the Syndicate / sub-syndicate / Registered Brokers / RTAs / CDPs and submitted to SCSBs for blocking would be as follows:

Portion for Retail Individual Investors*	₹ [●] per valid application (plus applicable tax)
Portion for Non-Institutional Investors*	₹ [●] per valid application (plus applicable tax)

\* For each valid application

(3) Selling commission on the portion for Retail Individual Investors, and the portion for Non-Institutional Investors, which are procured by Members of the Syndicate (including their respective sub-syndicate members) would be as follows:

Portion for Retail Individual Investors*	[●]% of the Amount Allotted (plus applicable tax)
Portion for Non-Institutional Investors*	[●]% of the Amount Allotted (plus applicable tax)

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

Bidding Charges: ₹ [●] (plus applicable taxes) per valid application bid by the Members of the Syndicate (including their sub-syndicate Members).

*Note: The brokerage/selling commission payable to the Syndicate/sub-syndicate members will be determined on the basis of the ASBA Form number/series, provided that the application is also bid by the respective Syndicate/sub-syndicate Member. For clarification, if an ASBA Bid on the application form number/series of a Syndicate/sub-syndicate member, is bid for by an SCSB, the brokerage/selling commission will be payable to the SCSB and not to the Syndicate/sub-syndicate member. The brokerage/selling commission payable to the SCSBs, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of either of the Stock Exchanges. The bidding charges payable to the Syndicate/sub-syndicate members will be determined on the basis of the bidding terminal ID as captured in the Bid book of the Stock Exchanges. Payment of brokerage/selling commission payable to the sub-brokers/agents of the sub-syndicate members shall be handled directly by the sub-syndicate members, and the necessary records for the same shall be maintained by the respective sub-syndicate member.*

- (4) *Bidding charges payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Investors, and Non-Institutional Investors, which are directly procured by the Registered Brokers or RTAs or CDPs and submitted to SCSBs for processing, would be as follows:*

<i>Portion for Retail Individual Investors*</i>	<i>₹ [●] per valid application (plus applicable tax)</i>
<i>Portion for Non-Institutional Investors*</i>	<i>₹ [●] per valid application (plus applicable tax)</i>

\* *Based on valid applications.*

*Amount of bidding charges payable to Registered Brokers, RTAs and CDPs shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment. In order to determine to which Registered Broker / CRTA / CDP, the commission is payable, the terminal from which the bid has been uploaded will be taken into account.*

The commission and processing fees shall be payable within 30 Working Days post the date of the receipt of the final invoices of the respective intermediaries by our Company. All of the above are exclusive of applicable taxes.

The Offer expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective intermediaries by our Company in accordance with the arrangements/ agreements with the relevant intermediary.

The fees and expenses relating to the Offer shall be shared in the proportion of the Equity Shares being offered by each of our Company and the Selling Shareholder in this Offer, in accordance with Companies Act and other applicable laws, except for the listing fees which will be borne exclusively by the Company. However, for ease of operations, expenses of the Selling Shareholder may, at the outset, be borne by our Company on behalf of the Selling Shareholder, and the Selling Shareholder agree that it will reimburse our Company all such expenses. In the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related costs and expenses will be borne by the Company.

### **Interim Use of Funds**

Pending utilisation of the Net Proceeds for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds only in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, for the necessary duration. Such deposits will be approved by our management from time to time. Further, in accordance with Section 27 of the Companies Act 2013, our Company confirms that pending utilisation of the Net Proceeds, it shall not use the funds for any buying, trading or otherwise dealing in any equity or equity linked securities of any listed company or for any investment in the equity market.

### **Bridge Loan**

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

### **Monitoring of Utilisation of Funds**

In terms of Regulation 16 of the SEBI ICDR Regulations, we have appointed [●] as the monitoring agency to monitor the utilization of the Net Proceeds. The Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. The Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its

balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized during such period.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Further, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act 2013, our Company shall not vary the Objects of the Fresh Issue unless our Company is authorized to do so by way of a special resolution of its shareholders. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, our Promoters or controlling shareholders will be required to provide an exit opportunity to any shareholder who does not agree to such proposal to vary the Objects of the Fresh Issue, subject to the provisions of the Companies Act 2013 and in accordance with such terms and conditions, including with respect to pricing of the Equity Shares, in accordance with the provisions of Chapter VI A of the SEBI ICDR Regulations.

### **Other Confirmations**

No part of the Net Proceeds of the Fresh Issue is intended to be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors or Key Managerial Personnel.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should also refer to the sections titled “*Risk Factors*”, “*Our Business*”, “*Financial Statements*” and “*Management’s Analysis of Financial Condition and Results of Operations*” on pages 14, 104, 147, and 181, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

Some of the qualitative factors which form the basis for the Offer Price are:

- A diverse client base including several marquee customers with focus on client retention;
- Leading and established player in the HR Solutions industry with robust financial performance;
- Scalable business model with pan-India presence;
- Technological and operational excellence; and
- Experienced management supported by quality human capital.

For further details, please refer to “*Our Business – Business Strengths*” on page 105.

### Quantitative Factors

Information presented in this section is derived from the Restated Financial Information.

Some of the quantitative factors which may form the basis for determination of the Offer Price are set forth below:

#### 1. Earnings per Share

As per the Restated Financial Statements:

Year/Period ended	Basic and Diluted EPS (₹)	Weight
March 31, 2017	10.82	3
March 31, 2016	6.12	2
March 31, 2015	4.58	1
<b>Weighted Average</b>	<b>8.21</b>	-
December 31, 2017 *	5.21	-

\* Not Annualized

Note:

- The face value of equity share is ₹ 10 each.
- Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/ year at the end of the period/ year.
- Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year for diluted EPS.
- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year/period.
- The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.
- EPS calculations have been done in accordance with Indian Accounting Standard Ind AS 33 – “Earning per share” prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

#### 2. Price/Earning (“P/E”) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	As per our Restated Financial Statements
P/E ratio based on Basic and Diluted EPS for the fiscal 2017 at the Floor Price	[●]
P/E ratio based on Basic and Diluted EPS for the fiscal 2017 at the Cap Price	[●]

### 3. Return on Net Worth (“RoNW”)

Return on net worth as per the Restated Financial Statements:

Period/fiscal ended	RoNW (%)	Weight
March 31, 2017	35.14	3
March 31, 2016	30.66	2
March 31, 2015	31.72	1
<b>Weighted Average</b>	<b>33.08</b>	-
December 31, 2017 *	14.98	-

\* Not Annualized

Note:

- i. Return on Net Worth has been computed as Net profit after tax, as restated divided by Net Worth at the end of the period/year.
- ii. Net Worth for Equity Shareholders has been computed as sum of share capital and reserves and surplus (includes Securities Premium and Surplus / (Deficit) in the Statement of Profit and Loss).

### 4. Minimum Return on Net Worth post-Offer required to maintain pre-Offer Basic and Diluted EPS for the fiscal December 31, 2017 and March 31, 2017

- i. Based on Restated Financial Statements as on and for the nine months ended December 31, 2017:
  1. At the Floor Price - [●] %
  2. At the Cap Price - [●] %
- ii. Based on Restated Financial Statements as on and for the fiscal ended March 31, 2017:
  1. At the Floor Price - [●] %
  2. At the Cap Price - [●] %

### 5. Net Asset Value (“NAV”) per Equity Share of face value of ₹ 10 each

- i. Net asset value per Equity Share as per the Restated Financial Statements of our Company as on December 31, 2017 is ₹ 34.81.
- ii. Net asset value per Equity Share as per the Restated Financial Statements of our Company as on March 31, 2017 is ₹ 30.80.
- iii. After the Offer:
  - a. At the Floor Price: ₹ [●]
  - b. At the Cap Price: ₹ [●]
- iv. Offer Price: ₹ [●]

Note: Net Assets Value per Equity Share (₹) = Net worth as restated at the end of the year divided by Number of Equity Shares outstanding at the end of the year.

### 6. Comparison with Listed Industry Peers

Following is the comparison with our peer group companies listed in India:

Name of the Company	Consolidated/ Standalone	Total Revenue (In ₹ million)	Face Value per Equity Shares (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
Company*	Standalone	7,816.29	10	[●]	10.82	35.14	30.80

Name of the Company	Consolidated/ Standalone	Total Revenue (In ₹ million)	Face Value per Equity Shares (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
<b>Peer Group</b>							
Team Lease Services Limited **	Consolidated	30,642.61	10	56.02	38.80	17.41	222.92
Quess Corp Limited **	Consolidated	41,726.12	10	111.51	9.24	13.57	65.95
Security and Intelligence Services (India) Limited **	Consolidated	45,771.22	10	83.01	13.19	16.55	79.55

*P/E figures for the peer is computed based on closing market price as on March 21, 2018, of relevant peer companies as available at BSE, (available at [www.bseindia.com](http://www.bseindia.com))*

*\* Restated Financial Statement of our Company as on and for the year ended March 31, 2017.*

*\*\*Source: Annual Reports as on and for the year ended March 31, 2017.*

The Offer Price will be determined by our Company and the Selling Shareholder, in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and, on the basis of the above qualitative and quantitative parameters. The BRLMs believe that the Offer Price of ₹ [●] is justified in view of the above parameters. Investors should read the above mentioned information along with the sections “**Risk Factors**” and “**Financial Statements**” beginning on pages 14 and 147, respectively, to have a more informed view.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors  
Genius Consultants Limited  
Synthesis Business Park Tower  
1C, First Floor, CBD/1  
Action Area-II, New Town  
Kolkata- 700157

Dear Sirs,

**Re: Proposed initial public offering of equity shares of ₹ 10 each (the “Equity Shares”) of Genius Consultants Limited (the “Company” and such offering, the “Offer”)**

1. This report is issued in accordance with the terms of our engagement letter dated 21 February 2018.
2. The accompanying Statement of Possible Special Tax Benefits available to the Company and its Shareholders (hereinafter referred to as “the Statement”) under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2017 (hereinafter referred to as the “Income Tax Regulations”) has been prepared by the management of the Company in connection with the Offer, which we have been initialled for identification purposes.

### Management’s responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus (the “Offer Document”) is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 16 March 2018 for the purpose set out in paragraph 9 below. The management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

### Auditor’s responsibility

4. Our work has been carried out in accordance with Standards on Auditing, as per the ‘Guidance Note on Audit Reports or Certificates for Special Purposes’ (Revised 2016) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.
5. Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended) (‘the Regulations’) and the Companies Act 2013 (‘Act’), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of 20 March 2018 to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.
6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Offer.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Inherent Limitations

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

Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability

of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

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

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

### **Opinion**

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of 20 March 2018, to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.

Considering the matter referred to in paragraph 5 above, we are unable to express any opinion or provide any assurance as to whether:

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

### **Restriction on Use**

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Document, prepared in connection with the Offer to be filed by the Company with the SEBI and the concerned stock exchanges. This report may be shared with and relied on as necessary by the Company or the Book Running Lead Managers or legal counsel appointed by them in relation to the Offer.

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

Per **Anamitra Das**  
Partner  
Membership No.: 062191

**Place:** Gurugram  
**Date:** 20 March 2018

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

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

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

In accordance with and subject to the provisions of Section 80 JJAA, of the Act, a company to whom Section 44AB applies, includes any profits and gains derived from business, a deduction equal to 30% of the additional employee cost incurred in the course of such business in the previous year, for three assessment years is allowed. For the purposes of this Section, an employee whose total emoluments are more than twenty-five thousand rupees per month is not covered within the definition of additional employee. Similarly, an employee employed for less than two hundred and forty days are also not covered.

Deduction under the said Section shall be available to the Company in the year of providing employment to the number of additional employees' subject to fulfillment of the conditions specified therein.

However, as per Section 115JB of the Act, the Company shall be required to pay Minimum Alternate Tax (“MAT”) at the rate of 18.5% (plus applicable surcharge, education cess and secondary & higher education cess) on book profits, irrespective of these tax benefits.

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

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

#### **Notes:**

1. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
2. The special tax benefits discussed in the Statement are not exhaustive and 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 and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
  - i. the Company or its shareholders will continue to obtain these benefits in future;
  - ii. the conditions prescribed for availing the benefits have been/ would be met with; and
  - iii. the revenue authorities/courts will concur with the view expressed herein.

The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

For and on behalf of the **Board of Directors of Genius Consultants Limited**

Saurabh Sett  
Chief Financial Officer

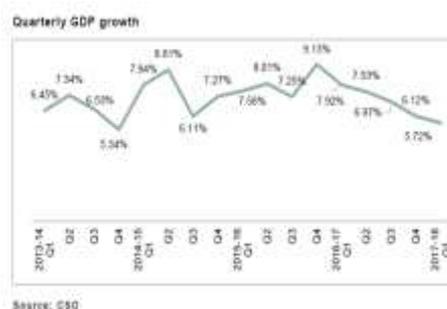
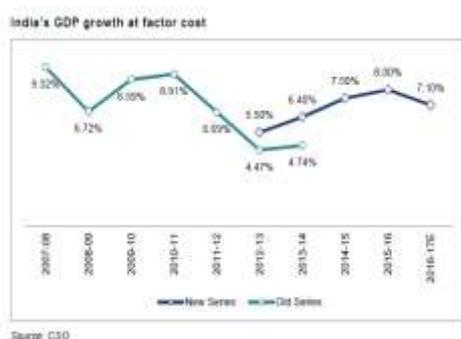
20 March 2018

## SECTION IV: ABOUT THE COMPANY INDUSTRY OVERVIEW

The following information has been derived from reports “**Staffing Industry in India**” dated March 2018 prepared by CRISIL Research (“**CRISIL Report, March 2018**”), except for other publicly available information as cited in this section. We commissioned the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Offer. Neither the Company nor any other person connected with the Offer has verified the information in the CRISIL Report or other publicly available information cited in this section. Further, the CRISIL Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends and opinions in the CRISIL Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. CRISIL has advised that while it has taken due care and caution in preparing the CRISIL Report based on the information obtained from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the CRISIL Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CRISIL Report or the data therein. Further, the CRISIL Report is not a recommendation to invest or disinvest in any company covered in the report. Prospective investors are advised not to unduly rely on the CRISIL Report. For further details, see “**Forward Looking Statements**” and “**Risk Factors**” on pages 13 and 14, respectively.

### Indian Economy and Employment Scenario

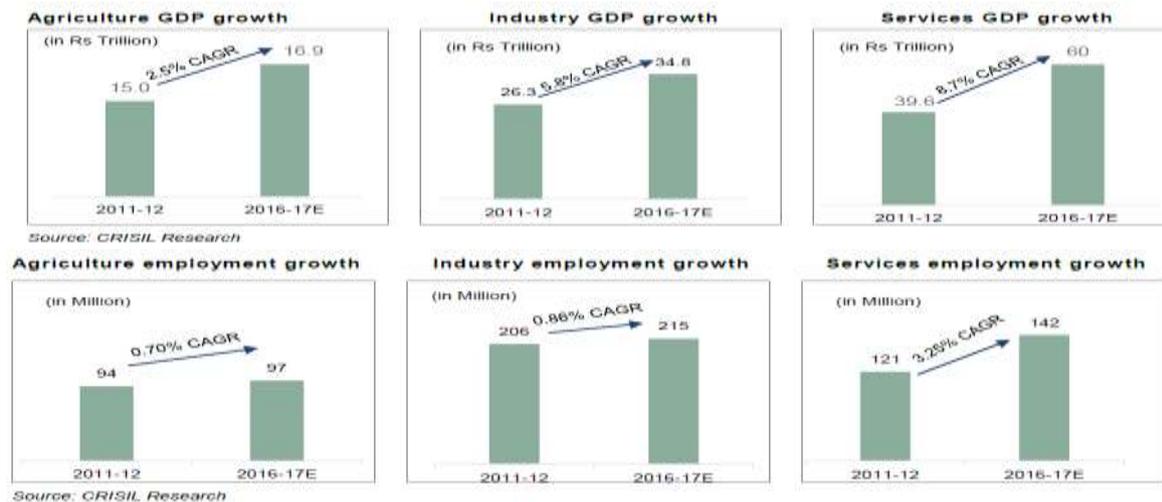
India's GDP is expected to cruise along a sustainable path over the next five years, as the economy gradually reverts on the road to recovery. GDP growth slowed in 2011-12 and 2012-13. Despite turning the corner in 2013-14, it grew at a slow pace until 2014-15, owing to flat investment growth, coupled with decline in productivity of existing investments. However, 2015-16 showed remarkable recovery, as GDP shot up at 8%, and India overtook China to become the fastest growing economy in the world. In 2016-17, the GDP grew at 7.1% and reached ₹ 121.89 trillion. In the current fiscal, GDP declined to a three-year low of 5.7% in the first quarter, but nosed up to 6.3% in the second quarter on uptick in industrial growth. The GDP growth is expected to scale to 7.6% in the second half of the current fiscal aided by the low base effect of the second half of 2016-17 and thereby pulling up the full year growth to 7%. Indian GDP growth is expected to scale at a healthy pace over the next 5 years. (Source: CRISIL Report, March 2018)



(Source: CRISIL Report, March 2018)

### Employment Growth

Even during India's high growth years, contrasting trends have been observed between GDP growth and employment elasticity. The CAGR growth in agriculture, industry and service does not match the CAGR growth in employment in the respective sectors during the same period. Over 2011-12 to 2016-17 the GDP in industry sector is estimated to have grown by 5.8 % CAGR whereas the employment is estimated to have grown by 0.7%. Employment in service sector is slightly in a better state. While the service sector GDP growth CAGR is estimated to be 8.6% the employment is estimated to have grown at 3.25%. (Source: CRISIL Report, March 2018)



(Source: CRISIL Report, March 2018)

Labour intensity is estimated to decline for all the sectors in industry as well as services. In the manufacturing sector, rising substitution of manual labour due to complicated labour laws (rigid rules for hiring and firing of workers) and technological progress has led to higher automation. A labour-intensive sector like construction is estimated to have grown at a slower pace of 1.7% in fiscal 2017 according to the data released by Central Statistical Office (“CSO”) whereas the growth in utilities is estimated to have grown at 7.2%. (Source: CRISIL Report, March 2018)

High growth in services sector has not resulted in large incremental employment as it requires comparatively lesser people to produce ₹ 1 million of real value-added GDP. By contrast, the services sub-sectors that are more labour-dependent like health, education and recreation services grew at a much slower pace. As a result, employment addition in these sectors has been limited. (Source: CRISIL Report, March 2018)

In Fiscal 2012, the industry, manufacturing and construction sectors accounted for larger portion of total employment. It is estimated that a similar trend will follow in fiscal 2017, with manufacturing and construction accounting for more than 95% of the total employment. Other sectors such as mining and quarrying and electricity, gas and water fulfilled the residuary requirements. (Source: CRISIL Report, March 2018)

Growth in the manufacturing sector is expected to slow down to 7.6% in Fiscal 2018 from 7.9% in the previous Fiscal. The services sector is expected to fare better as transportation is likely to improve and agricultural production remains robust and construction activity is expected to gather steam. Financial services, real estate and professional services are expected to accelerate on account of improved performance of the capital markets and some pick-up in consumer credit. (Source: CRISIL Report, March 2018)

It is estimated that the services sectors would grow at the rate of 8.1% in Fiscal 2018 compared with 7.7% in the previous Fiscal. Also, compared to agriculture and industry, the services sector has shown the highest growth from 2011-12 until the current Fiscal. However, the overall slowdown in growth in the current Fiscal has increased speculation on employment growth. A sector like construction that has high potential to absorb labour force has seen a sharper decline. This suggests that slower economic growth could also have resulted in decreased employment growth in the economy. (Source: CRISIL Report, March 2018)

### **Employable population and characteristics**

- **Employable population**

In India, people aged between 15 to 59 years are typically considered to constitute employable population. The employable population registered a CAGR of 2.2% and a growth of 24.7% between 2001 and 2011. This was relatively higher than the overall growth in population during this period, indicating a significant rise in the share of young, able, and employable workforce within the country. This ‘demographic dividend’ is expected to be favourable in the span of a country’s population structure, when the proportion of working age group to the total population rises and peaks. A high share of able and employable workforce could also bring other offshoot benefits

such as higher incomes and consumption, subject to job creation. In India, the share of employable population rose from 57% in 2001 to 60% in 2011. (Source: CRISIL Report, March 2018)

**India's total and employable population (2001 to 2011)**

In million	2001	2011	2017E	CAGR (2001 to 2011)
Population	1029	1211	1335	1.6%
Employable Population	586	730	833	2.2%

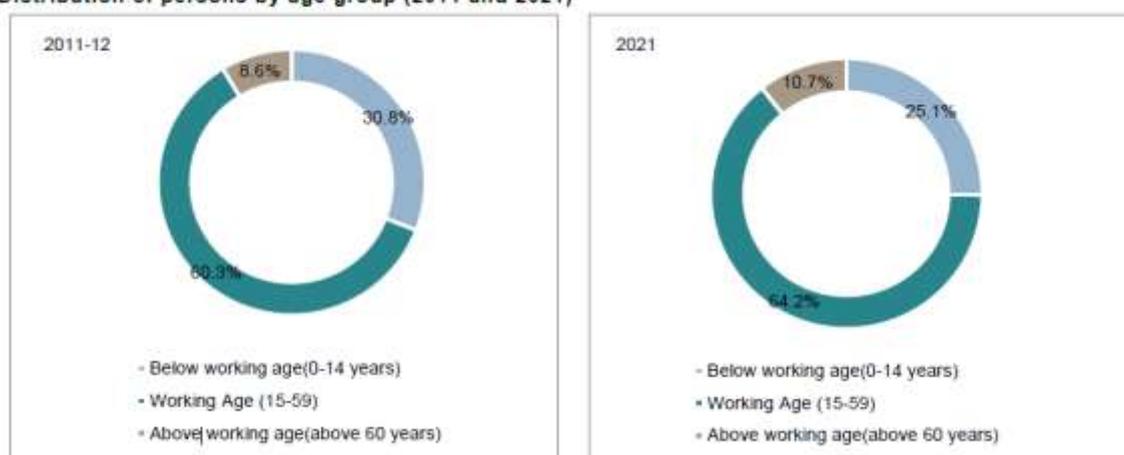
Note: Estimates based on the growth trend between 2001 and 2011

Source: NSSO

(Source: CRISIL Report, March 2018)

The Ministry of Statistics and Programme Implementation, Government of India (“MOSPI”) projects India’s population to reach 1,340 million by 2021, representing a growth of 10.6% from 2011 until 2021. According to projections by the National Sample Survey Office (“NSSO”) in 2001, the proportion of total working age population is expected to touch 64.2% by 2021.

**Distribution of persons by age group (2011 and 2021)**



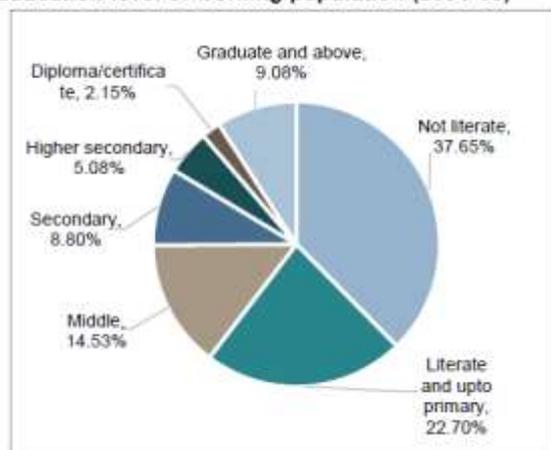
Source: NSSO

(Source: CRISIL Report, March 2018)

- **Working group characteristics**

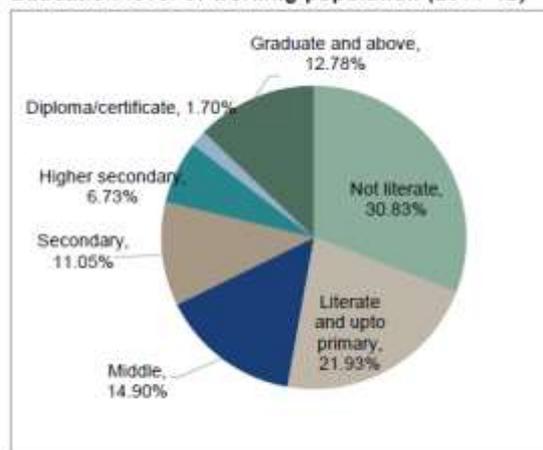
The share of literate population within the working group population has risen by approximately 7% between 2004-05 and 2011-12 from 62.3% to 69.1%. Further, among the literate group in the working population, growth has been higher among workers with higher secondary education and higher levels of education, as compared with the average growth rate of the literate group population. (Source: CRISIL Report, March 2018)

**Education level of working population (2004-05)**



Source: NSSO, MOSPI, CRISIL Research

**Education level of working population (2011-12)**



(Source: CRISIL Report, March 2018)

The proportion of illiterate persons among the working group population between the period 2005-06 and 2011-12 has declined by 6-7 percentage point during this period. Although illiteracy has fallen, the decreasing level of enrolment at higher levels of education is a key concern area. In the years ahead, formal employment is expected to be driven by increased enrolment at higher education levels and improvement in the skill sets of workers through targeted skill development programmes such as the National Skill Development Mission. (Source: CRISIL Report, March 2018)

**Level wise enrolment in school and higher education (2014-15)**



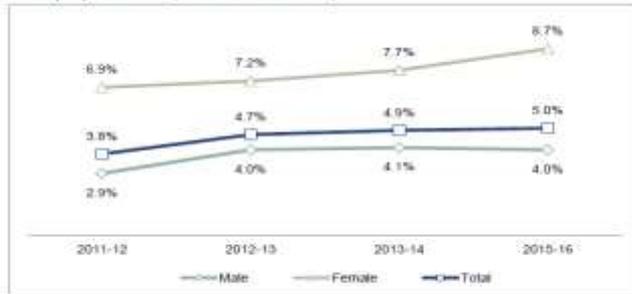
Source: MHRD, Educational Statistics 2016 Table 6A

(Source: CRISIL Report, March 2018)

### Unemployment Rate

As per the data supplied by the Ministry of Labour and Employment, Government of India, unemployment rate shot up to a five year high of 5% in 2015-16, since job creation has not kept pace with the growing working population. In addition, skill gap, in terms of a mismatch in the technical and educational requirements and the available workforce has further aggravated the unemployment rate. A combination of poor skill sets and lack of job opportunities has resulted in a high level of unemployment in many states across India. (Source: CRISIL Report, March 2018)

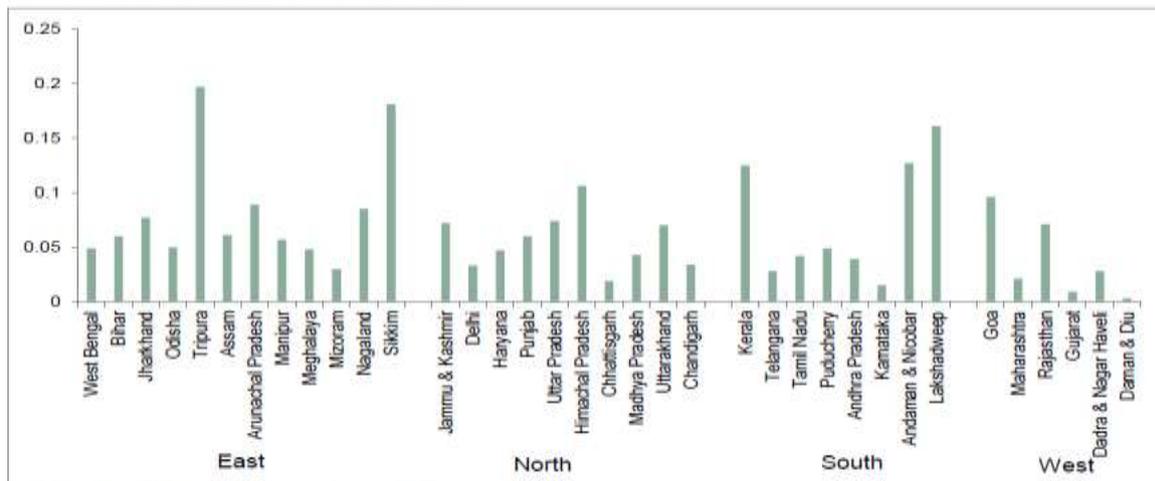
Unemployment rate (2011-12 to 2015-16)



Source: Employment Unemployment Survey, Annual Report 2016-17, Ministry of Labour & Employment

(Source: CRISIL Report, March 2018)

State-wise unemployment rate (2015-16)



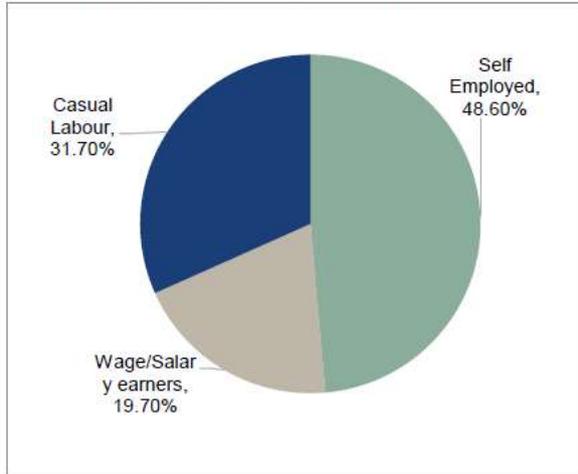
Source: Fifth Annual Employment- Unemployment Survey 2015-16

(Source: CRISIL Report, March 2018)

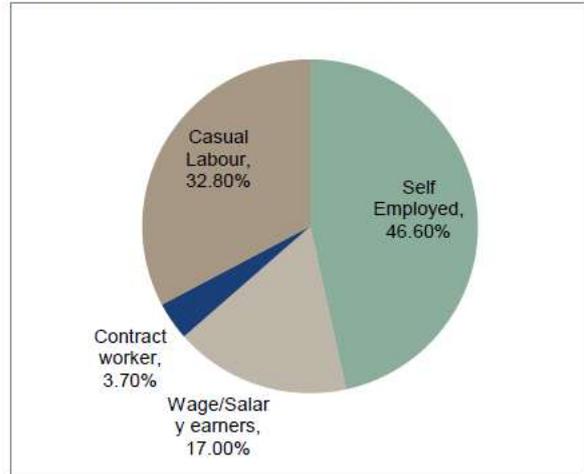
The northern and eastern regions have the highest proportion of illiterate persons. The eastern region also has a relatively lower proportion of people with higher education. Consequently, the unemployment level in the eastern region is amongst the highest in the country. On the contrary, the southern and western regions have a higher proportion of literate persons. Therefore, these regions also have a higher potential for employable skilled workforce in non-agricultural sectors, leading to higher employment rates. (Source: CRISIL Report, March 2018)

According to CRISIL, while the percentage of self-employed population has declined in the past five years, it still accounts for a very high share. Poverty and lack of education are major constraints for employment opportunities for the youth, forcing them into self-employment or low paid casual work. In 2015-16, the low paid casual workers, contract workers, and self-employed comprised over 80% of the total workforce in India. (Source: CRISIL Report, March 2018)

**Distribution of workforce (2011-12)**



**Distribution of workforce (2015-16)**



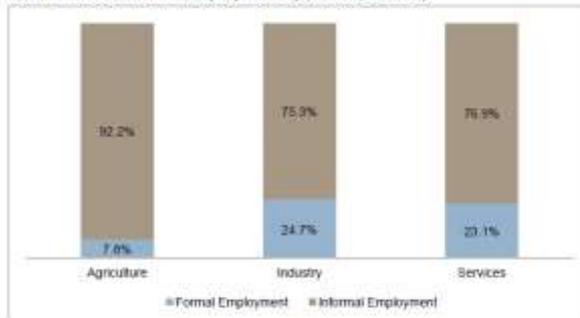
Source: Employment and Unemployment Survey 2011-12, Ministry of Labour & Employment

(Source: CRISIL Report, March 2018)

### Employment in formal versus informal sectors

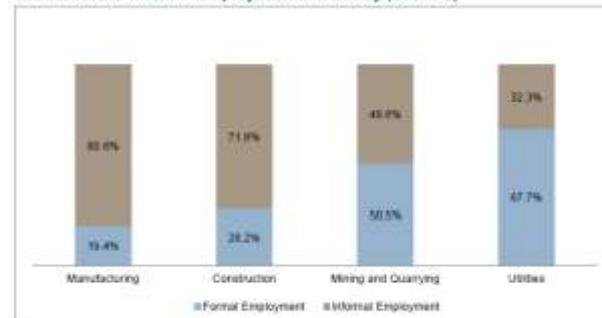
India's informal sector is currently driving employment the informal sector comprises all unincorporated proprietary, partnership enterprises and enterprises whose activities or collection of data is not regulated under any legal provision and/or which do not maintain any regular accounts. About 80% of India's workers are in the informal sector, with particularly high levels of informal workers evident in the manufacturing and construction industries.

**Formal versus informal employment by sector (2011-12)**



Source: NSSO 2011 report

**Formal versus informal employment in industry (2011-12)**



Source: NSSO 2011 report

(Source: CRISIL Report, March 2018)

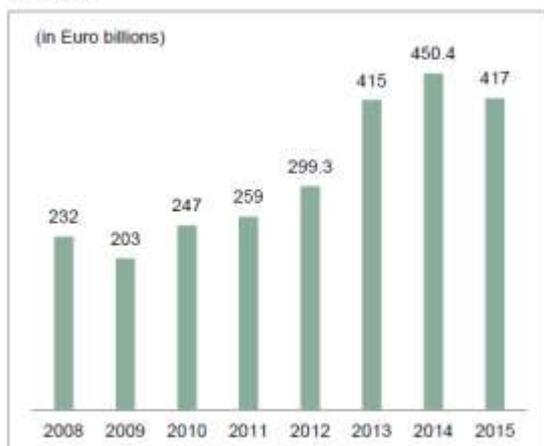
The cumulative effect of low levels of literacy, less-than adequate skill-sets and lack of employment opportunities is a high level of self-employment, due to which informal employment dominates employment in most sectors. Complex and tough labour laws have hampered job creation in the formal sector. Many workers also prefer the higher take-home pay that the unorganised framework provides. (Source: CRISIL Report, March 2018)

## Global Staffing Industry

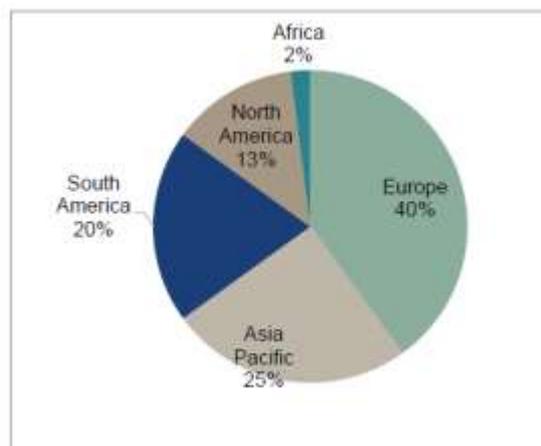
### Overview of Global Staffing Industry

According to CRISIL, globally, the staffing industry has grown considerably over the past few years and the global annual sales revenue of the employment industry has gone up to 417 billion Euros. Despite the slump in the aftermath of the financial crisis and the resultant global economic slowdown, the industry still showed 6-7% CAGR over the last decade. (Source: CRISIL Report, March 2018)

**Global annual sales revenue (employment industry)**



**Geographical breakdown (Number of agencies)**



Source: CIETT World Economic Report 2017

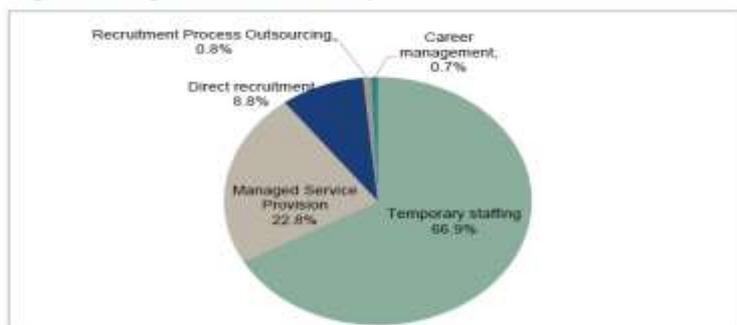
Note: This is the latest information available. It is based on data from 50 countries for which data is available. The data available in the CIETT report 2017 is for 2015.

(Source: CRISIL Report, March 2018)

**Temporary Staffing**

According to CRISIL, the employment industry comprises of direct recruitment, recruitment process outsourcing, managed services provision and career management. In the employment industry, the temporary staffing/agency work has the highest share (i.e., 67%) in global revenue, followed by managed service provision and direct recruitment. (Source: CRISIL Report, March 2018)

**Segment-wise global revenue break-up**



Source: CIETT World Economic Report 2017

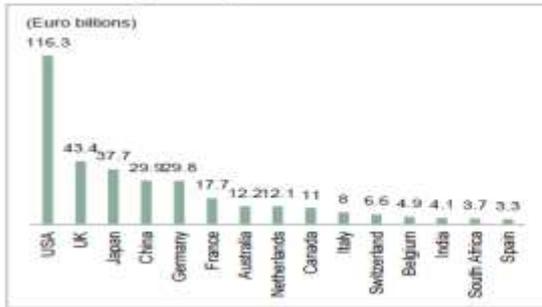
Note: The data available in the CIETT report 2017 is for 2015.

(Source: CRISIL Report, March 2018)

**Flexible Staffing Industry**

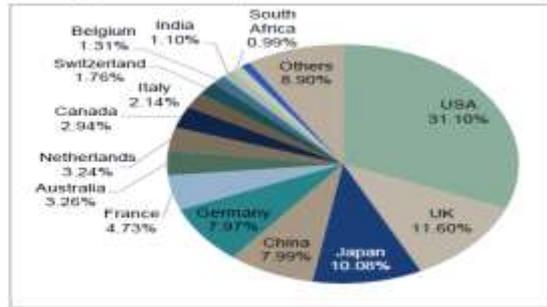
According to CRISIL, India ranks 13th in the world flexible staffing industry in terms of revenue as of 2015. The United States has the highest revenue of approximately 16.3 billion Euros which amounts to a share of 31%, followed by the UK with 11% share and Japan with 10% share, among the 50 countries which are the part of World Employment Confederation. In terms of the regions, North America accounts for the highest share of 36% followed by Europe (35%) and the Asia/Pacific (22%). (Source: CRISIL Report, March 2018)

**Flexi-staffing industry revenue**



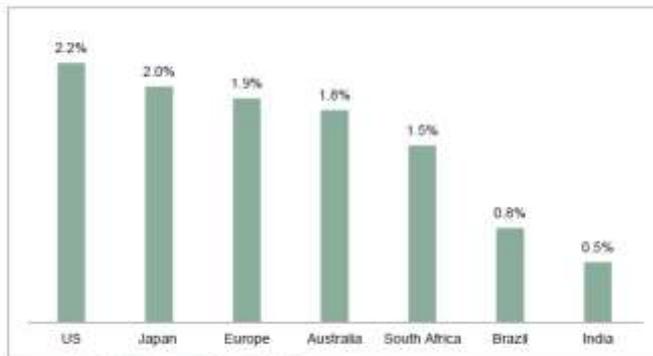
Source: CIETT World Economic Report 2017  
 Note: The data available in the CIETT report 2017 is for the year 2015.

**Country-wise break-up of revenue**



According to CRISIL, there is a growing awareness among corporates of the advantages of flexible staffing, which include meeting labour demand during times of immediate need and providing social security to employees, among others. According to CRISIL, over the next few years, this will encourage more companies spanning diverse sectors to consider flexible staffing as a viable employment option. The role of flexible staffing firms is set to expand and diversify in the years ahead in India, in line with the global trend, propelled by a mix of the regulatory, technological and demand-supply factors. (Source: CRISIL Report, March 2018)

**Penetration of flexi-staffing industry**



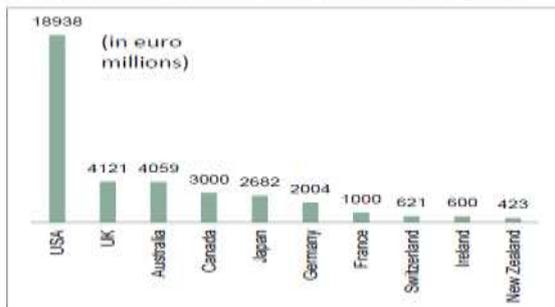
Source: CIETT World Economic Report 2017  
 Note: The data available in the CIETT report 2017 is for 2015.

(CRISIL Report, March 2018)

**Direct Recruitment**

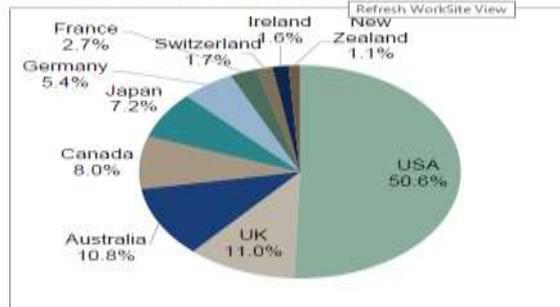
According to CRISIL, the top 10 countries in terms of revenue in the permanent employment market are the USA, UK, Australia, Canada, Japan, Germany, France, Switzerland, Ireland and New Zealand. The USA accounts for the largest share of 50.6% in total revenue among these 10 countries in the permanent employment market. (Source: CRISIL Report, March 2018)

**Permanent staffing top 10 countries in revenue**



Source: CIETT world economic report 2017  
 Note: The data available in the CIETT report 2017 is for 2015.

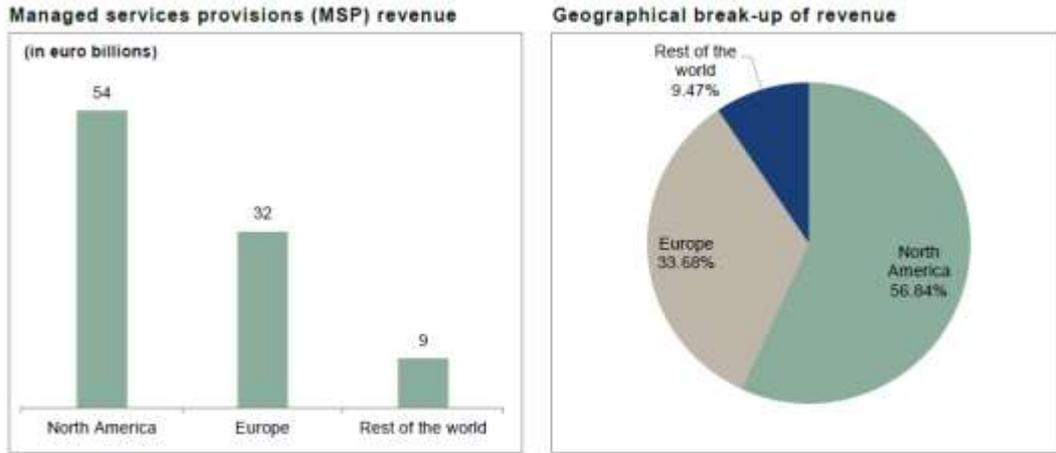
**Country-wise break-up of revenue**



(Source: CRISIL Report, March 2018)

### **Managed Services Provision**

Managed services provisions comprises services provided by a company for managing an organisation's contingent workforce. According to CRISIL, North America and Europe have the highest sales revenue of approximately 54 billion Euros and 32 billion Euros, respectively, in this sector. The rest of the world contributes only 9.5% to the total revenue in this sector. (Source: CRISIL Report, March 2018)



Source: CIETT World Economic Report 2017  
Note: The data available in the CIETT report 2017 is for 2015.

(Source: CRISIL Report, March 2018)

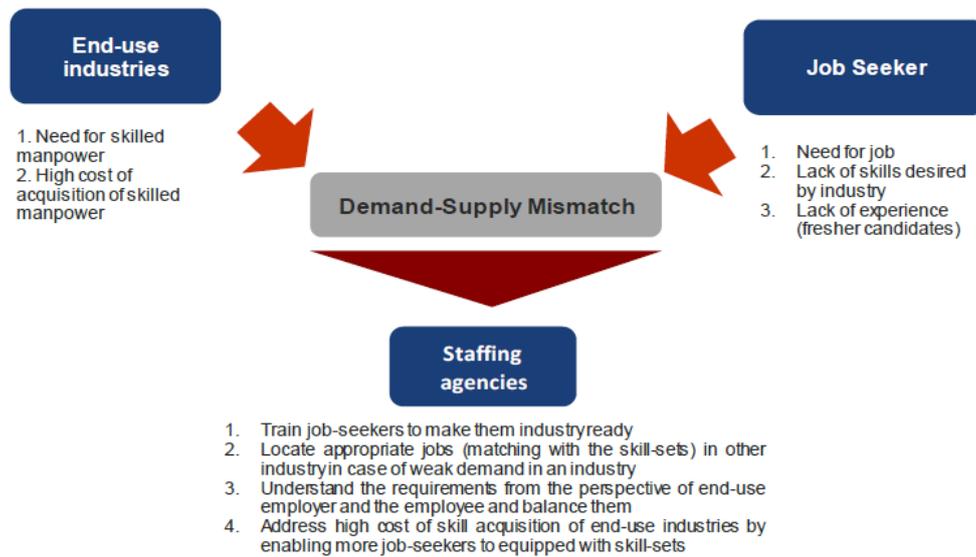
### **Indian Staffing Industry**

#### **Overview of Staffing Industry in India**

A staffing services company matches employment offers and applications, acting as an intermediary between an employee and an employer, matching the job requirements of an employer with employees having the required skill-sets. (Source: CRISIL Report, March 2018)

According to CRISIL, the services of the staffing industry is no longer limited to serving as a link between an organisation and potential employees, but has expanded into providing human resource solutions, such as pay-roll processing and verification services (identity and background checks), training services, facilities management services, etc. Further, facility management service is one of the fastest growing verticals, with several agencies providing staff/workers for facility management. (Source: CRISIL Report, March 2018)

### Demand-supply mismatch is addressed by staffing industry

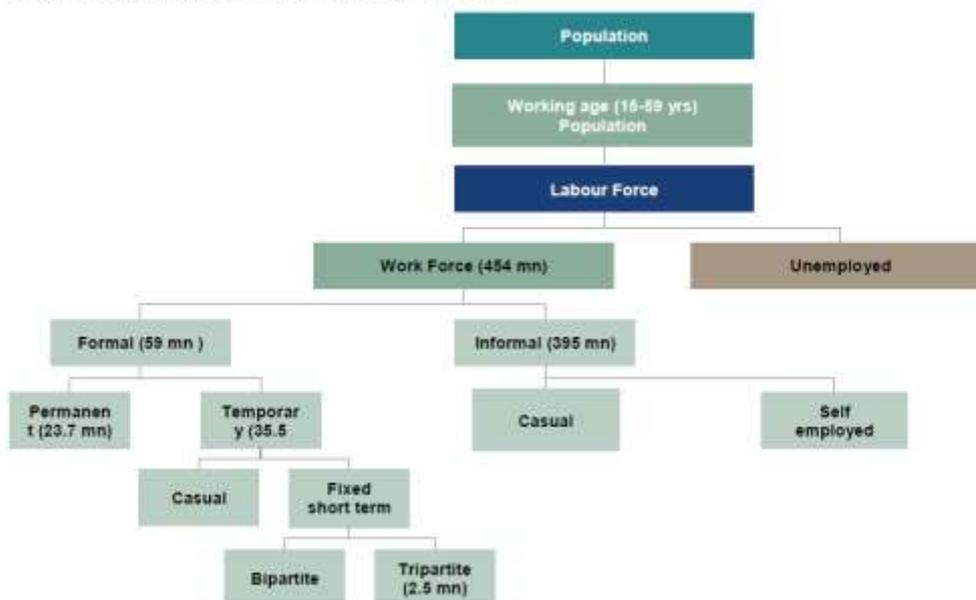


Source: CRISIL Research

(Source: CRISIL Report, March 2018)

The various segments of the staffing industry follow a typical value chain, wherein a company interviews job seekers through staffing agencies to address a demand-supply mismatch. Majority of flexible staffing agencies offer in-house training and skill development programmes to increase the prospects of job-seekers as well as address the growing concern of companies in finding individuals with suitable skill-sets. A value addition offered by the flexible staffing industry is of not only addressing the issue of providing skilled manpower, but also manage changing employee requirement of various industries. The flexible staffing industry acts as an enabler for new candidates by providing them training on the requisite skills of the industry and making them job-ready. (Source: CRISIL Report, March 2018)

### Segmentation of staffing industry in India



Note: Data is for 2016-17

Source: NSSO, CRISIL Research

(Source: CRISIL Report, March 2018)

### **Services offered by Staffing Companies**

According to CRISIL permanent and temporary staffing are the two main types of hiring. Temporary staff are usually hired to fulfil the organisation’s short-term requirements or to complete specific needs that may not be a part of the core business operations. Permanent staff, on the contrary, is generally hired with the intent to retain the employee for a longer period of time and is focused on critical business functions. It is important for an organisation to understand the type of staff it requires, in light of its business needs and goals. (Source: CRISIL Report, March 2018)

According to CRISIL, HR solutions, is a new segment that has come up in the staffing industry and has gained a lot of impetus in the past decade. According to CRISIL, organisations have become more open to outsourcing the entire hiring process and engaging human resource solutions providers and making it the main driver of growth of human resource solutions as a part of the staffing industry.

**Range of services offered by staffing companies**



Source: Crisil Research

(Source: CRISIL Report, March 2018)

### **Characteristics of staffing industry in India**

#### **Permanent Staffing**

According to the Indian Staffing Federation, a permanent formal workforce is defined as those holding a contract of three years or more, signifying a long-term relationship between employer and employee and it can be expected that both the employer and employee find it in their mutual interest to learn/invest in each other for a long-term goal. The typical benefits offered to permanent staff includes regular wages and salaries, social benefits like gratuity and provident fund. Permanent staffing agencies also help their client organisations to develop a customised recruiting plan. The agency also explores their network of passive candidates or top talent who may not be actively seeking a new job. For the purposes of expanding their search base, the staffing agencies tap into their contacts and strategic alliances such as civic and professional organisations. Recruitment process outsourcing (“RPO”) is a service where the provider or the agency acts as a company’s internal recruitment function for all or part of its recruitment activities. Growing investments in sectors such as IT, travel and tourism, healthcare, life sciences, pharmaceuticals, oil and gas and power segments have increased the hiring activity across all levels. (Source: CRISIL Report, March 2018)

#### **Temporary Staffing**

According to the Indian Staffing Federation, temporary employment is typically a short-term relationship, with or without or without any written contract between the employer and employee. It is a short-term assignment, for which a resource is hired. This kind of hiring decreases the liability of an organisation, as these assignments may not include all the benefits which the organisation may offer its full time employees. (Source: CRISIL Report, March 2018)

According to CRISIL, temporary staffing is further divided into three parts:

#### **Casual employment**

Casual employment refers to workers who do not have any written job contract. They are also not covered by any social security benefits like PF, gratuity, medical or insurance benefit. They do not have any defined employment period. (Source: CRISIL Report, March 2018)

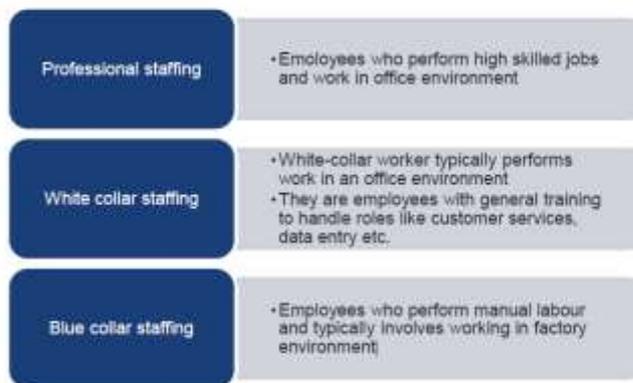
## ***Bipartite***

Bipartite workers are those who have a direct employment contract with their employer. They, however, also do not have services like training, skill development which is provided by staffing agencies in case of flexible staffing. Also, after expiry of the contract they may take time to find new employment. (Source: CRISIL Report, March 2018)

## ***Flexible Staffing***

Flexible staffing is a tripartite agreement amongst the staffing intermediary, flexible worker and client or user organisation. Typically, the worker has an employment contract with an intermediary, and the intermediary sends the worker to work under the direct supervision of the user enterprise based on a separate work contract between the intermediary and the user enterprise. (Source: CRISIL Report, March 2018)

### Types of flexi staffing:



Source: CRISIL Research

(Source: CRISIL Report, March 2018)

## ***Professional Staffing***

According to CRISIL, professional staffing involves workers with high skills and technical acumen. For instance, the IT companies typically have some employees on bench. Further, IT companies have foreign clients in which the penalties in case of delay in project execution are large. In order to keep a buffer in case of attrition of current employees, they pick up flexible workers, keep them on bench in order to ensure continuity of the project without causing delays. IT companies are increasingly using temporary staff in non-core activities to focus more on core activities (non-core activities would include such activities that do not have significant influence on the revenue of the company). This is expected to help cut down on costs in the face of increasing competition or business slowdown. Other examples of professional staffing are auditors, accountants, analysts and hardware engineers, among others. (Source: CRISIL Report, March 2018)

## ***White collar staffing***

White collar staffing involves workers who require small amount of training for doing certain repetitive work including secretarial staff, customer service representatives, data entry operators, telemarketers, helpdesk and product support executives, customer relationship officers and market surveyors. (Source: CRISIL Report)

## ***Blue collar staffing***

Blue collar staffing involves workers with minimum wages who typically work in plants or factories and include warehouse work operators, maintenance and repair personnel. (Source: CRISIL Report)

A majority of firms, generally opt for a mix of permanent and flexible staffing. Permanent staffing may prove to be expensive in the long run, as the payroll expenses and benefits are taken care of by the organisation itself. In comparison, if that firm hires a candidate through a staffing services provider and on a flexible basis, the entire payroll expense is borne by the outsourcing partner enabling a firm to leverage the cost differential in salaries for the same skill set, across countries. Key players in the temporary and permanent staffing industry include Addeco,

GI Group, Hays, Hewitt Associates, Kelly Services, Manpower Group, Randstad, Recruit Holdings, ABC Consultants, Genius Consultants Limited, Needs Manpower, Qness Corp and Teamlease. (Source: CRISIL Report, March 2018)

### Market Share

Players in the organised sector such as Innovsource Private Limited (“**Innovosource**”), Teamlease, Qness Corp, Needs Manpower, Genius Consultants Limited, Addeco and Randstad accounts for around 25-30% of the total market share and the unorganised sector accounts for 70-75% of the total market share. (Source: CRISIL Report, March 2018)

### Value Chain

Based on the processes implemented by staffing firms, the value chain of the staffing industry is set forth below:



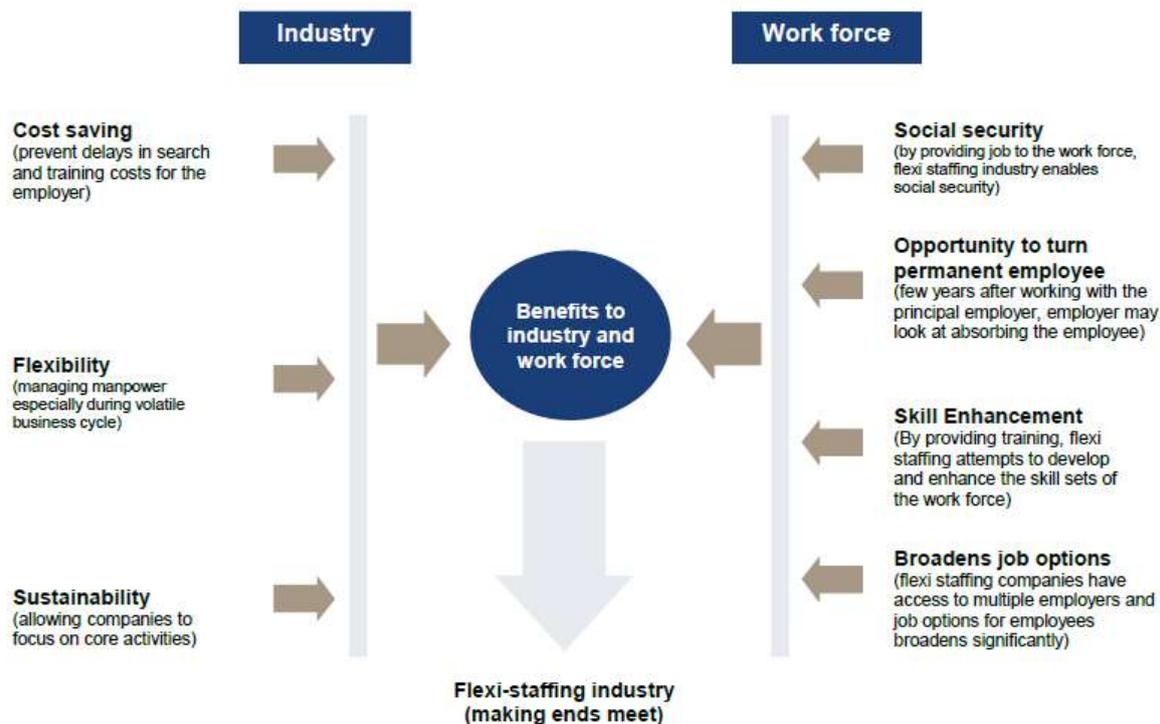
Source: CRISIL Research

(Source: CRISIL Report, March 2018)

### Benefits and Challenges

In-house hiring entails certain costs such as cost incurred for searching the right talent, costs related to joining and on-boarding formalities, costs for proving on the job training, cost involved in retaining employees through varying economic cycles, and costs incurred in case of hiring instantly in the case of a demand pick up. In addition, employees leaving at shorter notice entails significant costs impacting their margins mostly seen in IT companies where attrition levels have increased significantly during the last five years. (Source: CRISIL Report, March 2018)

Outsourcing the recruitment process also helps companies concentrate on their core business and offering flexibility of employment and ease of recruitment and replacement as well. In addition, statutory complexities are taken care of by a staffing company. Hence, with the entire recruitment process taken care of by staffing agencies, clients have the best-available pool of talent to choose from. (Source: CRISIL Report, March 2018)



(Source: CRISIL Report, March 2018)

Staffing companies are not insulated from challenges and skill shortage is a major challenge by staffing companies in India, leading to increasing costs for agencies due to hiring delays. In order to counter this challenge, staffing companies are getting involved in skill development of candidates in order to match the requirements. (Source: CRISIL Report, March 2018)

### HR Solutions

HR solutions providers mainly take care of the entire pre- and post-boarding process including payroll processing, background check and verification, facilities management, and HR BPOs. The range of human resources solutions offered includes:

- **Payroll processing:** Payroll is the process by which employers pay an employee for the work that he/she has completed. Any mid-sized or large company that has employees should have a payroll system. Payroll includes aspects like deducting taxes from each salary and ensuring accurate taxes are paid. Pay-rolling is a service offered by many firms who usually sell the software to the client company and also provide time to time guidance on how to use it more efficiently. (Source: CRISIL Report, March 2018)
- **Background verification:** Background verification process involves screening of a candidate's work and career history, college and school degrees, academic certificates, criminal background and credit scores in case of bank lending. CRISIL estimates the process to typically take between 7 to 10 days to complete. However, if a company wants to undertake an in-depth look at the candidate's history (mostly done for senior level hiring), the time period may extend. To conduct background checks, third-party service or a background screening software is used to complete the recruitment process. (Source: CRISIL Report, March 2018)
- **Facilities management services (FMA):** FMS refer to the use of third-party service providers for the maintenance of the building or office facilities or outsourcing the management of entire facilities to an organisation for professional delivery of services. It also comprises cleaning, support, property, catering, horticulture and electro-mechanical services. (Source: CRISIL Report, March 2018)

- **HR BPO:** Human resource outsourcing, popularly known as HR BPO, provides services and helps organisations to address core human resource outsourcing needs while combining business goals with optimum resource utilisation. It is a one stop solution for all human resource needs of an organisation. An HR BPO unit provides front and back-office process management for its clients, enabling them to focus on key operational areas. Nearly all the human resource department's work is outsourced to the HR BPOs. (Source: CRISIL Report, March 2018)

Set forth below are the key players in the HR Solutions industry:



(Source: CRISIL Report, March 2018)

### Security Services

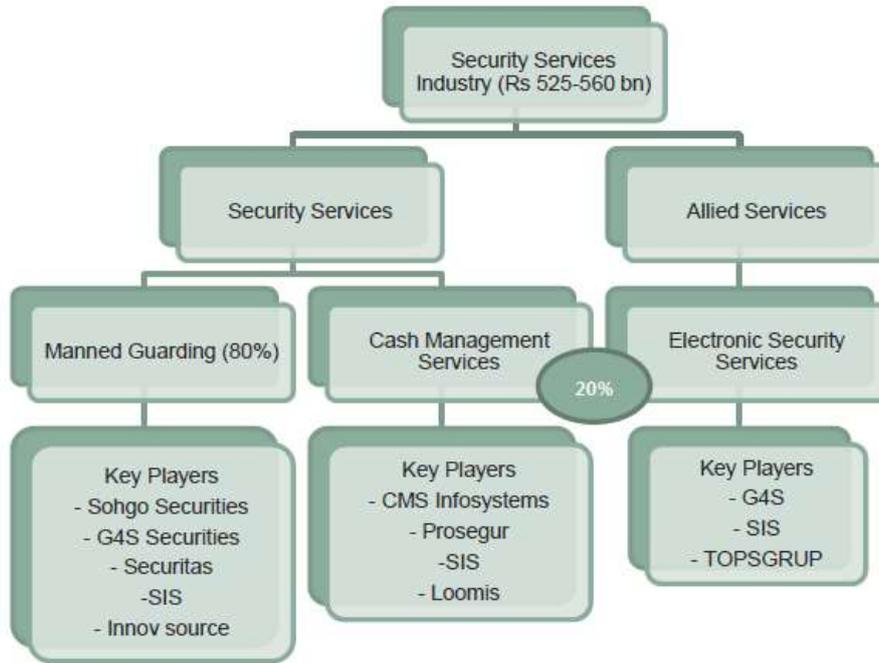
According to CRISIL, the security services industry is growing at an accelerated pace. The growth of several key sectors in the Indian economy including retailing, real estate, infrastructure, telecommunications, entertainment and financial services, has resulted in growing demand for the services of private security agencies and for sophisticated gadgets and devices. Further, rising incidents of crime as well as threats such as trespassing, theft, dacoity and unethical practice are expected to aid the growth of security services industry in India. Private security companies typically provide armed and unarmed security services, and expertise to clients, such as deployment of watchmen, bodyguards, guard dogs, parking security and other security services. These services can be broadly described as protection of personnel or assets, for instance prevention of unauthorised activity or entry, traffic regulation, access control, and fire and theft prevention and detection. (Source: CRISIL Report, March 2018)

Further, manned security services, which provides visual deterrent from crime and incidents such as trespassing and vandalism, accounts for the largest share. (Source: CRISIL Report, March 2018)

### Segmentation of security services

The private security services market is dominated by large multinational and Indian players on one end of the market and a fairly fragmented, unorganised segment on the other. The key service offerings for private security players are manned guarding and cash services, and allied services including electronic security services. (Source: CRISIL Report, March 2018)

**Industry structure of security services in India**



Source: FICCI, CRISIL Research

(Source: CRISIL Report, March 2018)

Set forth below is the hiring process followed in security services industry:

**Typical hiring process**



Source: CRISIL Research

(Source: CRISIL Report, March 2018)

**Manned guarding services**

Manned guarding accounts for the largest share in the security services industry and pertains to provision of manpower to secure premises and individuals, surveillance and protection of industrial, commercial and infrastructure facilities, goods and people (both static and mobile), security checks, crowd management and close protection. Wages for security guards employed with largely organised players is usually linked to minimum wages as determined by each state under the Minimum Wages Act, 1948 (“**Minimum Wages Act**”) and is usually revised from time to time by states. Large organised players are relatively more compliant with labour norms, and

have to make contributions related to provident fund and employee state insurance for the guards. As these contributions are linked to wages, pricing trends for the organised sector are predominantly governed by the minimum wage guidelines. Growth in the manned guarding industry is driven by increase in the number of guards, as well as increase in revenue per guard. Demand for manned guarding is expected to increase rapidly in future, with the burgeoning of shopping malls, special economic zones, townships, IT parks and other private infrastructure facilities. Industrial and manufacturing, BFSI, retail and IT and IT enabled Services (“ITeS”) segments currently account for a significant proportion of revenue for most organised players in the market. (Source: CRISIL Report, March 2018)

### Cash Management Services

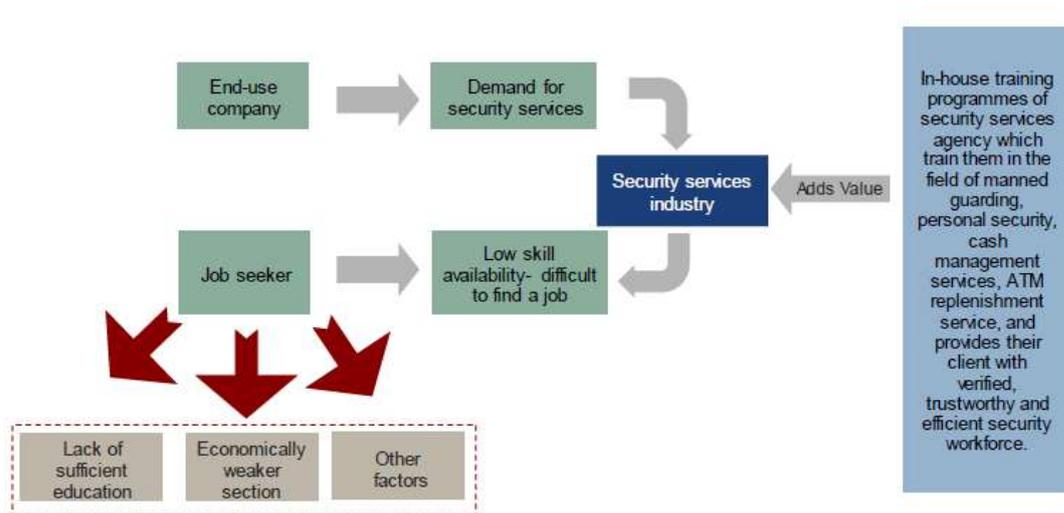
Cash management services constitutes a relatively small but swiftly growing chunk in the industry. It relates to provision of secured logistics for cash and other valuables from banks and other corporate entities. While there are specialised cash services players, given the synchronised nature of the services, it is also an extension of manned guarding operations of a number of private security services players. (Source: CRISIL Report, March 2018)

### Electronic Security Services

These services are also an extension of manned guarding and include surveillance through CCTVs, alarm systems, access control systems and other electronic equipment installed for security reasons. Electronic security services are provided by large private security companies such as G4S, SIS and TOPSGRUP. (Source: CRISIL Report, March 2018)

### Value Chain in Security Services

Based on the processes implemented by staffing firms, the value chain of the security services is set forth below:



Source: CRISIL Research

(Source: CRISIL Report, March 2018)

### Market Outlook

#### Employment

The overall workforce is expected to grow at a CAGR of 1.5-2% during 2016-17 to 2021-22 and reach 490 million. In addition, employment is expected to be driven by sectors such as IT and ITeS, media and entertainment, fast moving consumer goods and retail. In addition, according to CRISIL, Government initiatives such as ‘Make in India’, ‘Start Up India’ and the development of 100 smart cities across the country is expected to further boost employment growth in India. However, CRISIL maintains that the growth in employment will not be benefited from faster GDP growth and will be limited by a decline in labour intensity across sectors, caused by automation in systems and formalisation of processes. (Source: CRISIL Report, March 2018)

**Marginal growth in employment expected in the next five years over the next five years**

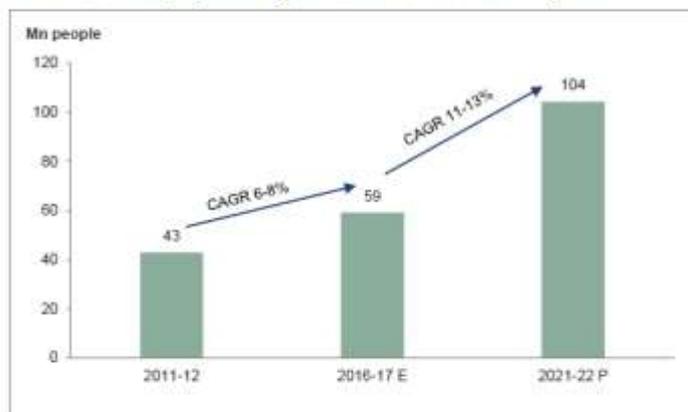


Note: E: Estimated P: Projected  
Source: CRISIL Research

(Source: CRISIL Report, March 2018)

CRISIL estimates that the formal workforce will grow at a CAGR of 11-13% between 2016-17 and 2021-22 to reach 104 million people, as compared to a growth of 7% CAGR between 2011-12 and 2016-17. Across sectors, CRISIL believes that the share of the formal workforce will increase. In addition, labour intensive sectors like FMCG and retail are estimated to grow faster over next five year. In addition, growth in services will witness rise in formal employment and will remain the key driver for the overall GDP growth. GST is expected to further aid growth in formal sector employment. The growth of the e-commerce sector along with logistics is expected to contribute significantly towards the formalization of employment. (Source: CRISIL Report, March 2018)

**Formal sector employment to grow faster over the next five years**



Source: CRISIL Research  
Note: E: Estimated P: Projected

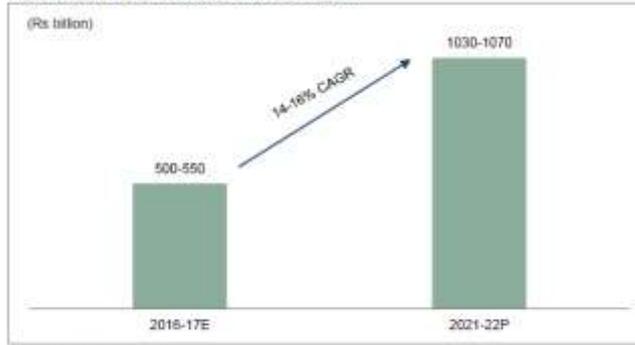
(Source: CRISIL Report, March 2018)

### **Flexible Staffing**

Temporary employment has grown on the back of growth in telecom and logistics, IT/ITeS and BFSI and estimates that within the services, IT/ITeS will tilt towards flexi staffing due to uncertain business environment. Temporary staffing is expected to grow at a faster rate of 13-15% CAGR over next five years, with the proportion of temporary staffing in total formal employment to rise from 60% in 2016-17 to around 63%-65% by 2021-22. New evolving sectors in the economy is expected to prefer flexi staffing and growing levels of seasonality and the cyclical nature of businesses will aid growth in temporary staffing. (Source: CRISIL Report, March 2018)

CRISIL estimates that flexible staffing is expected to grow at a 14-16% CAGR and employ approximately 5 million persons by 2021-22. With the growth of e-commerce and trade, flexible staffing in logistics and telecom is expected to grow at a significant rate of 18-20% CAGR over the next five years. Flexible staffing in the retail sector is also expected to grow at a healthy CAGR of approximately 21-23% till 2021-22. (Source: CRISIL Report, March 2018)

**Flexi staffing size to grow at 14-16% CAGR**

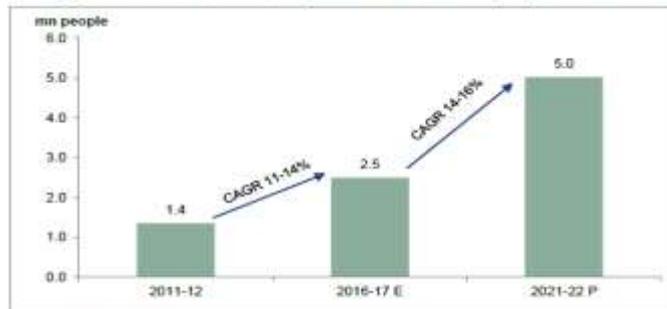


Source: CRISIL Research  
 Note: E: Estimated P: Projected

(Source: CRISIL Report, March 2018)

According to CRISIL, with the rapid pace at which the IT sector is evolving in India and the foregoing of the bench model of the IT industry where fulltime employees are kept on standby in the expectation of a new project, IT flexi staffing is also bound to witness a growth of close to 14-16% CAGR over the next five years. Further, estimates that the retail, logistic and telecommunications and IT/ITeS industries are expected to employ around 30% of the incremental flexi staff over a period from 2016-17 to 2021-22. (Source: CRISIL Report, March 2018)

**Strong growth of retail, IT/ITes, logistics and telecom to propel flexible staffing in India**



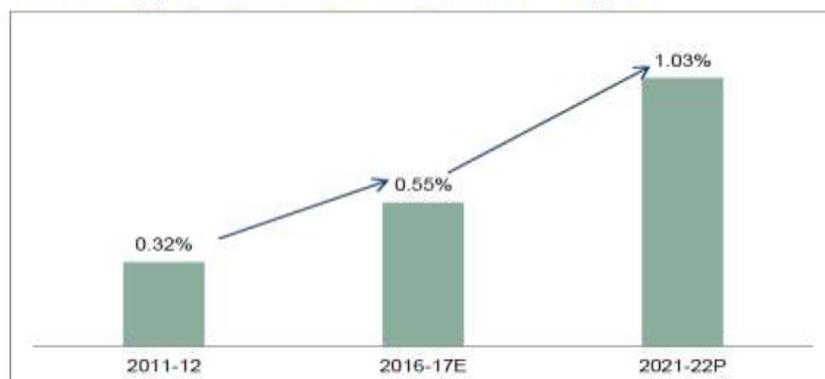
Source: CRISIL Research  
 Note: E: Estimated P: Projected

(Source: CRISIL Report, March 2018)

- **Penetration of flexi staffing**

The penetration of flexi staffing will rise to 1.03% by 2021-22 as compared to 0.55% in 2016-17. This is estimated to be driven by increasing number of enterprises entering the formal sector, skill development, regulatory amendments in favour of formal and flexi staffing industry. The initiatives taken by flexi-staffing agencies like training services is also likely to aid industry growth over the long term. (Source: CRISIL Report, March 2018)

**Flexi staffing penetration to almost double over next 5 years**

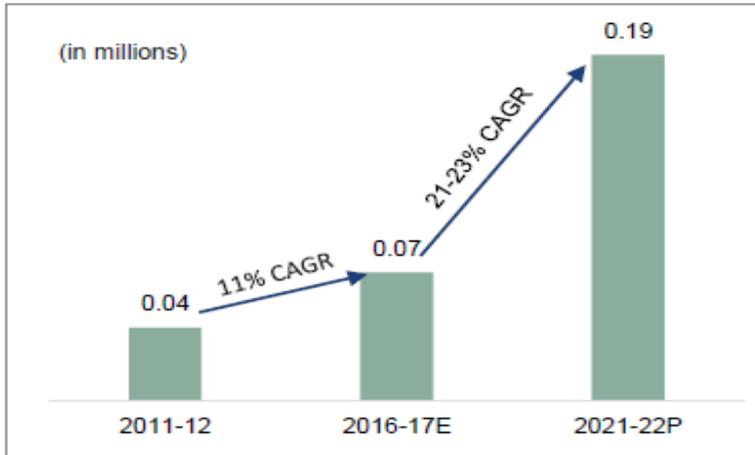


Source: CRISIL Research  
 Note: Flexi staffing penetration is based on total workforce  
 Note: E: Estimated P: Projected

- *Industry Size*

As of 2011-12 the industry size of flexi staffing in India was ₹ 0.04 million and it is estimated to be ₹ 0.07 million as of 2016-17. CRISIL expects the industry size to expand to ₹ 0.19 million by 2021-22. (Source: CRISIL Report, March 2018)

**Flexi-staffing industry size**



Source: CRISIL Research

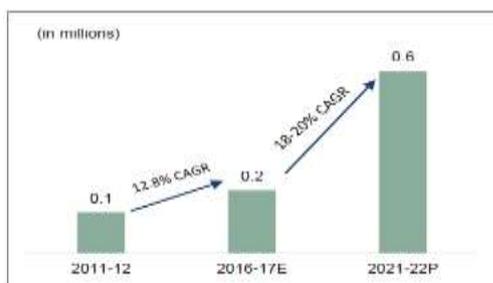
(Source: CRISIL Report, March 2018)

- *Segmental Mix*

Manufacturing, BFSI, retail, media and entertainment, logistics and telecom, IT/ITeS and education employ over 50% of the flexi staff in India. The average penetration for these sectors is around 3.21% as compared to an overall penetration of 0.55% as of 2016-17. Over the next five years, penetration in sectors like BFSI is expected to increase from the current level of 5.24% to 9.65%, while in retail it is expected to increase from the current level of 0.14% to 0.29% during this time. Also, penetration levels in IT/ITeS are expected to jump to 15.90% by 2021-22 from 10.20% in 2016-17. The need for technically upgraded skill-sets coupled with the high cost of acquiring talent is expected to encourage the industry to consider flexi-staffing as a potential solution. Penetration levels in logistics and telecom is expected to rise to 3.4% by 2021-22 from 1.21% in 2016-17 on account of the increasing reach of service providers and the penetration of e-Commerce across various regions of the country. (Source: CRISIL Report, March 2018)

*Flexi Staffing Industry Size (Logistics and Telecom)*

*Flexi Staffing Industry Size (IT and ITeS)*

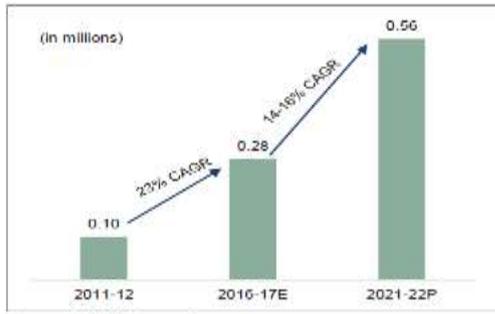


Source: CRISIL Research



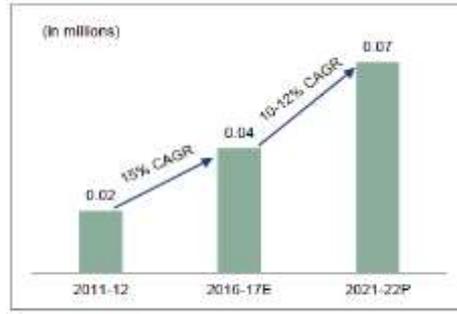
Source: CRISIL Research

**Flexi Staffing Industry Size (Education)**



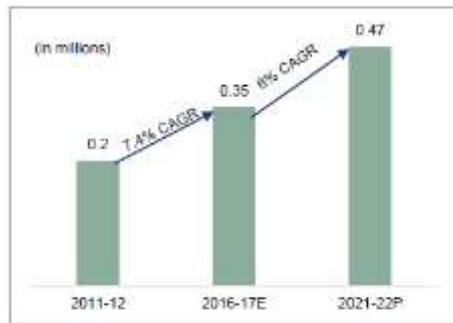
Source: CRISIL Research

**Flexi Staffing Industry Size (Media and Entertainment)**



Source: CRISIL Research

**Flexi Staffing Industry Size (Manufacturing)**



Source: CRISIL Research

**Flexi Staffing Industry Size (BFSI)**



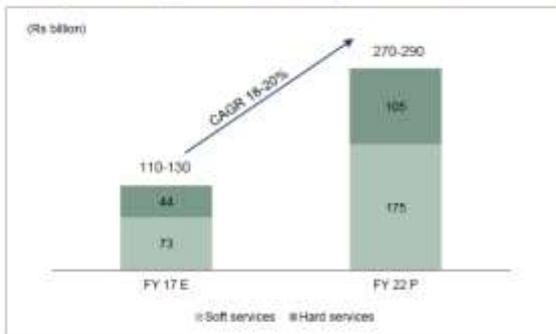
Source: CRISIL Research

(Source: CRISIL Report, March 2018)

**Facility Management Services**

The FMS industry in India is estimated at approximately ₹ 105 billion. While the market is small compared with other developed countries like the USA, FMS is expected to grow at a CAGR of 18-20% over the next five years to reach approximately ₹ 245 billion by 2021-22. (Source: CRISIL Report, March 2018)

FMS to grow at a fast pace over the next five years with soft services dominating the market



Note: E- Estimated P- Projected  
Source: CRISIL Research

(Source: CRISIL Report, March 2018)

Growth in the industry is expected to be fueled by the increased acceptance of outsourcing of non-core activities, increased demand from global and Indian multinational companies across various sectors like IT/ITeS, and BFSI, high growth pace in the construction sector and growing commercial and office space absorption. Players are adopting a sector-specific approach to business with increased demand from sectors like healthcare and manufacturing which would require sector-specific skill sets, leading to increased training costs and subsequently an increase in their service charges and fees. Expansion of businesses in Tier II and III cities will aid in the growth of FMS market in India. (Source: CRISIL Report, March 2018)

### **Background Verification Services**

The background verification services industry stood at ₹ 2.5 - ₹ 3.0 billion in 2016-17 and is expected to grow at 10-12% CAGR to reach to close to ₹ 4.9 billion by fiscal 2022. Demand is expected to be driven by increasing formal employment, compliance to background verification policies and number of people switching jobs as their re-verification also garners demand for background verification services. (Source: CRISIL Report, March 2018)



(Source: CRISIL Report, March 2018)

### **Payroll Processing Services**

The industry size is estimated to be ₹ 3.0 billion - ₹ 3.5 billion, which is expected to grow at a CAGR of 10%-15% over the next five years owing to increased demand from start-ups, banks (public and private), FMCG and educational institutions. (Source: CRISIL Report, March 2018)

### **HR BPO**

The HR BPO industry is expected to grow at a CAGR of 10% - 15% over the next five years on the back of demand from FMCG/retail, IT, telecom and BFSI.

## OUR BUSINESS

### Overview

We are one of the leading providers of human resources (“**HR**”) solutions in India by market share in fiscal 2017 and we have one of the highest revenue per associate ratio (*Source: CRISIL Report, March 2018*). We provide a broad range of HR solutions to clients, including marquee clients, such as Bharti Airtel, Bosch, Hathway Cable and Datacom (“**Hathway**”), Tata Consultancy Services (“**TCS**”) and PayTM, among others. Our comprehensive HR solutions covering the life-cycle of the HR solutions value chain include permanent and flexi staffing solutions, payroll processing, compliance management, background checks and verification services, HR management services (“**HRMS**”) (collectively, “**HR Solutions**”) and FMS as well as sale of HR software.

We are focused on providing consultancy services to clients in the sphere of HR solutions, including providing placement opportunities to job seekers and customized solutions to our corporate clients. We help our corporate clients source middle and senior level personnel through our permanent staffing solutions, while our flexi staffing solutions outsource associates on a temporary basis, allowing our clients to focus on core areas of their business and operations. Permanent and flexi staffing solutions, together, contributed to 95.13% and 95.19% of our revenue from operations for the nine months ended December 31, 2017 and fiscal 2017, respectively. Our core competencies include permanent and flexi staffing solutions through which, we had placed over 250,000 Associates since 2001 until February 5, 2018 and over 975 Professionals through our permanent staffing solutions in the last three fiscals, until February 5, 2018. Further, as on February 5, 2018, there were over 50,000 Associates on our rolls who have been placed by us with various clients pursuant to our flexi staffing solutions.

We are an established player in the HR Solutions industry in India having commenced our operations in 1993 as a provider of permanent staffing solutions. Over time, we have diversified into various HR Solutions covering flexi staffing solutions, payroll processing, compliance management, background checks and verification services, HRMS and FMS as well as sale of HR software over a period of 24 years. We further plan to foray into security services and HR business process outsourcing (“**HR BPO**”). As on February 5, 2018 we were catering to over 800 clients through over 1,100 contracts executed with such clients for providing various HR Solutions to them. Our clients span various industries including telecommunications, IT, logistics, infrastructure, engineering, fast moving consumer goods (“**FMCG**”), retail and pharmaceuticals, among others. As of February 5, 2018 we were managing payroll processing for over 90 clients, conducting compliance management for over 100 clients and undertaking background checks for over 230 clients.

Our Company is promoted by Mr. Rajendra Prasad Yadav, who has over two decades of experience in the HR services industry and Ms. Reeta Yadav, who have been instrumental in our growth. Our senior management comprises individuals, including national heads who lead the different verticals within our HR Solutions offerings, with significant experience in the HR services industry and who have been associated with our Company on an average for 15 years.

We have a pan-India presence through 15 branch and area offices across 14 states, including our Registered and Corporate Office at Kolkata, covering over 950 locations across the country as on February 5, 2018. We are present across major cities in India, including Kolkata, Delhi, Mumbai, Chennai, Bengaluru and Hyderabad, among others.

Our information technology (“**IT**”) department comprises 34 employees, as on February 5, 2018, and is headed by our IT national head, who has been associated with our Company for 15 years. Our IT department has been instrumental in developing our in-house software for our HR Solutions, in respect of which we have filed an application dated March 8, 2018 with the Registrar of Copyrights, Delhi for registration of copyright. Our IT department helps us customize our IT systems as per our internal requirements as well as any specific requirements prescribed by our clients. Further, our information security management system, which has been certified to be compliant with ISO/IEC 27001:2013 standards, allows us to respond faster to our clients and Associates, including in respect of salary disbursements. We have also established a PF Trust, which, pursuant to a notification dated May 14, 2015 issued by the Ministry of Labour and Employment, Government of India (“**MoLE**”), is exempt from the operation of EPF Act, in respect of receiving deposit of employee provident fund (“**EPF**”) contributions for our employees. This enables quicker processing of settlement claims for dissociated employees. For further details, see “ – **Human Resources**” below.

Our total revenue for the nine months ended December 31, 2017 and fiscals 2017, 2016 and 2015 was ₹ 6,719.55 million, ₹ 7,816.29 million, ₹ 6,205.64 million and ₹ 5,167.40 million, respectively, and our profit after tax for

the corresponding period was ₹ 94.46 million, ₹ 196.02 million, ₹ 110.93 million and ₹ 83.03 million, respectively. Further, for the nine months ended December 31, 2017 and fiscals 2017, 2016 and 2015, our EBITDA was ₹ 128.91 million, ₹ 222.68 million, ₹ 177.93 million and ₹ 135.89 million, respectively. Our total revenue and profit after tax grew at a CAGR of 21.44% and 45.57%, respectively, between fiscal 2013 and fiscal 2017.

## **Business Strengths**

### ***Diverse client base including several marquee customers with focus on client retention***

We cater to manpower requirements of a diverse client base, spanning several industry segments including telecommunications, IT, logistics, infrastructure, engineering, retail, FMCG and pharmaceuticals, among others. As on February 5, 2018 we had over 800 clients with whom we had in place an aggregate of 1,100 contracts, across industry verticals, which includes several marquee clients such as Bharti Airtel, Bosch, Hathway, TCS and PayTM, among others. We believe our ability to offer a comprehensive suite of HR Solutions to our clients combined with our client retention strategies have allowed us to sell our services across product verticals. For instance, certain of our clients who utilize our services for flexi staffing solutions, have also sought our services for background checks and verification.

Our diverse client base is the result of our client acquisition and retention strategy, which focusses on acquiring new clients through our business development efforts as well as retaining our existing clients and generating repeat business across product verticals from such clients. Towards this objective, we have appointed specified business development teams at each of our branch offices, which is responsible for acquiring new clients and for managing our existing clients. We strive to better understand our clients' manpower and allied requirements and match those requirements using our technical expertise and HR base to maximize our clients' return on human capital. We believe our ability to provide efficient and value added services, effectively train our Associates and resolve issues and grievances in a timely manner have been key to us being the preferred choice for our clients over a period of time. While we follow a standard pricing strategy across our business, we also use pricing tools to attract and retain our clients. For instance, we offer discounts on our prices to clients who source a large number of Associates from us or who avail a large number of services from us.

We also assist our clients manage Associates placed with them by installing personnel at our clients' organizations, as 'site implants', based on such requirements of our clients, who undertake a multitude of HR related activities for our clients including engaging periodically with the Associates we place with them and redressing their concerns and grievances. For our other clients, we assign personnel who act as a 'one point contact' for our clients and Associates placed with them for such HR related needs. We also place key account managers for our clients who assist them with the day to day accounting needs of our clients with respect to the Associates placed at their organization.

Additionally, in our bid to retain our clients, we regularly interact with our clients to understand their requirements and concerns, if any, and work towards reducing Associate grievances to promote better client-Associate relationships. We also annually organize the 'HR Excellence Award' on an annual basis, which provides a platform for interaction with our clients, giving us insight into their staffing and other HR needs. This platform also provides an opportunity for us to further build our brand. We believe that our established and long-term relationships with our clients has been key to our sustained growth even during periods of low to modest growth in overall employment in India.

### ***Leading and established player in the HR Solutions industry with robust financial performance***

We are an established and one of the leading players in the HR Solutions industry in India with one of the highest revenue per associate ratio (*Source: CRISIL Report, March 2018*). We had a market share of 1%-2% in the flexi staffing market in India in fiscal 2016, a part of the Indian staffing industry, which is highly fragmented, with leading players having market shares ranging between 1% and 6% (*Source: CRISIL Report, March 2018*). Further, our Company was nominated for the 'fastest growing company' in the ₹ 3,000 million to ₹ 10,000 million category by ET Bengal Corporate Awards in 2017.

We commenced operations in 1993 in the permanent staffing solutions vertical and have leveraged our experience to diversify into other segments in the HR Solutions industry including flexi staffing solutions, which, together with permanent staffing solutions, contributed to 95.13% and 95.19%, respectively, of our revenue from operations for the nine months ended December 31, 2017 and fiscal 2017. We also provide other HR Solutions including payroll processing, compliance management, background checks and verification services, HRMS as

well as FMS. As on February 5, 2018, we had placed over 250,000 Associates since 2001, when we commenced services in this vertical. Further, in the last three fiscals, until February 5, 2018 we had assisted clients recruit over 975 Professionals. Further, as on February 5, 2018, there were 50,000 Associates on our rolls who have been placed by us with various corporates pursuant to our flexi staffing solutions.

Further, we have experienced sustained growth in financial indicators including our total revenue, EBITDA and profit after tax in the last five fiscals despite CRISIL Report reporting a modest growth in employment in the services sector and overall employment in India. We have been able to increase our revenue and profit after tax from fiscal 2013 to fiscal 2017 at a CAGR of 21.44% and 45.57%, respectively. We believe that our diversified client base and our ability to handle the complete suite of HR requirements of our clients, supported by our qualified and experienced sourcing team has significantly contributed to the sustained growth in our financial indicators.

### ***Scalable business model with pan-India presence***

We conduct our operations from 15 branch and area offices, including our Registered and Corporate Office, to maintain our pan-India presence and provide services to our clients across the country. We are present through our branch offices across major cities in India, including Delhi, Mumbai, Kolkata, Chennai, Bengaluru and Hyderabad, among others. Except for our Registered and Corporate Office at Kolkata, all our branch and area offices are situated on leased premises.

We commenced operations in 1993 with permanent staffing solutions and have diversified into a number of HR Solutions and have recently forayed into FMS. As per the CRISIL Report, the formal employment sector in India is expected to grow at a CAGR of 11%-13% between 2017 and 2022 to reach approximately 104 million persons in 2022. We believe we are well positioned to take our share in the overall growth of the formal employment market in India, given our scalable business model and experience of over two decades in the HR services industry, which allows us to upscale easily and capture future growth opportunities.

### ***Technological and operational excellence***

Our focus on achieving technological and operational excellence have helped us increase our efficiency, operations of scale and geographic expansions across India. We have an in-house IT team, headed at the national level, who has been associated with our Company for over 15 years, which enables us to match the requirements of job seekers and our corporate clients resulting in achieving successful placements and outsourcing of Associates. We strive to continually upgrade and better our processes through our research and development efforts. Our in-house IT systems are supported by dedicated servers and web enabled services, which allow our clients and Associates to have unique user identification and passwords for accessing our Company's portal. Our information security management system, which has been certified to be compliant with the requirements of ISO/IEC 27001:2013 for providing services of software package development, data application, helps us achieve more secure deployment and help protecting confidentiality of data and information pertaining to our clients.

Our in-house customisable IT systems and software provide for various web enabled services covering several HR functions including sourcing of Professionals, SAAS payroll processing for managing clients' payroll systems and online payment of salaries and reimbursements to Associates, among others. Our payroll processing software enable quicker salary payments and reimbursements to our employees and Associates. Further, our flexi staffing solutions software has an in-built employee self-service portal, through which our Associates can download and upload information such as their pay slips, leave information and income tax declarations, among others.

To further achieve operational excellence, we have completely decentralized our operations, which help in reducing downtime in the event of any error. Our operations are carried on through our branch offices, which perform a broad range of functions and activities and directly report to our head office at Kolkata. We have also established area offices at specified locations to cater to the HR requirements of specified clients. As on February 5, 2018 we had eight branch offices and seven area offices. This allows us to respond effectively to our clients' requirements and resolve their queries and grievances efficiently and with minimal downtime. Additionally, we have implemented a 'one point contact' in each of our branch offices and area offices, allowing us to shorten our turn-around-time for responding to our clients' manpower requests.

Further, to maintain our quality of services across locations, we conduct all India review management on a regular basis, which includes a division-wise review of all our branches through video conferencing. We also regularly conduct meetings wherein national heads of all our product verticals meet with our Chairman cum Managing

Director to report various financial and non-financial indicators including achievement of targets, revenue generation in their vertical, items which need action to be taken and provide updates on recent regulatory or operational changes.

To further enhance our operational efficiencies, we have established a PF Trust, which is exempt from the operation of the EPF Act, for processing PF contributions for our employees and Associates. Our PF Trust management solution, an in-house software for management of the PF Trust, helps our internal compliance team to calculate the monthly PF contributions required to be made into the PF Trust as well as to the PF authorities. Further, our employees and Associates can view and download their monthly PF statements from our employee self-service portal.

### ***Experienced management supported by quality human capital***

Our Company is promoted by Mr. Rajendra Prasad Yadav, our chairman and Managing Director, who has over two decades of experience in the HR services industry, and Ms. Reeta Yadav, also a Director on our Board of Directors, both of whom have been associated with our Company since incorporation. Their experience has been instrumental to our success. In addition to our Promoters, our senior management team has been associated with our Company for an average of 15 years. For further details, see “***Our Management***” on page 128.

Our senior management is well supported by qualified team of 392 employees as on February 5, 2018, spread across our offices. We undertake several training initiatives from time to time to update our employees’ knowledge and abilities. For further details, see “- ***Human Resources***” below.

### **Business Strategies**

#### ***Foray into security services, HR BPO and sale of new software and increased focus on FMS***

As per the CRISIL Report, the private security industry in India has been estimated to be around ₹ 525-560 billion in fiscal 2017 and CRISIL further expects this industry to grow at a CAGR of 15%-20% over the next five years, on the back of increasing demand for security services in India stemming from infrastructural and economic development and a rise in criminal activity. Within the security services industry, manned guarding contributes to approximately 80% in terms of industry revenue as well as employment (*Source: CRISIL Report, March 2018*). The CRISIL Report estimates the manned guarding industry in India was approximately ₹ 420-450 billion in fiscal 2017 and is expected to grow at CAGR of 18% to 20% to reach approximately ₹ 1,200 billion by 2022. We propose to foray into the security services industry and believe that we are well positioned to take share in the increasing demand for manned guards on the back of our ability and experience in sourcing qualified manpower for varied needs of our clients and stringent internal checks and statutory compliances in relation to our outsourced Associates. We are in the process of making an application to the competent authority under the West Bengal Private Security Agencies (Regulation) Rules, 2007 for providing security services.

We also propose to further penetrate the market for FMS, which provide for higher margins as compared to the staffing business. Further, according to the CRISIL Report, the Indian FMS industry, estimated to be approximately ₹ 105 billion, is one of the fastest growing verticals in the HR Solutions space and is expected to grow at a CAGR of 18%-20% over the next five years to reach approximately ₹ 245 billion by fiscal 2022. We presently undertake housekeeping services and maintenance of housekeeping machinery for office spaces and had 25 clients as on February 5, 2018. We seek to expand into integrated property management services, providing soft and technology based services to our clients. Towards this, we propose to tap into our existing client base and further rely on our business development team to attract new clients.

In addition to private security services and FMS, we propose to enter the market for HR BPO services, providing both offsite services, through sale of HR BPO software and onsite services, through installing HR coordinators at our clients’ organizations. Presently, the Indian HR BPO industry is fairly consolidated, with a few large players dominating this industry. However, the HR BPO industry is expected to grow at a CAGR of 10%-15% over the next five years driven by demand from the FMCG, retail, IT, telecom and the banking, financial services and insurance (“**BFSI**”) sectors (*Source: CRISIL Report, March 2018*). Further, as per the CRISIL Report, corporates are increasingly outsourcing of HR functions to increase their focus on core business operations and outsourcing HR functions also reduces business costs for companies. We believe that our significant experience in the HR Solutions industry and our relationships with our clients will help us respond to this increasing demand for HR BPO services.

We are also in the process of developing a software comprising a compilation of all labour and employment related compliance requirements under various Indian laws. We expect to commence sales of this software as a comprehensive compliance guide on an add-on basis to our clients. Our clients can choose to purchase this software on a license fee basis or through cloud.

### ***Increase geographic presence in India and overseas and continue to focus on client acquisition***

Indian formal workforce is expected to grow at a CAGR of 11%-13% between fiscals 2017 and 2022 to reach approximately 104 million with flexi staffing industry growing at a CAGR of 14%-16% over the next five years to employ approximately five million persons by 2022. Further, the share of formal employment is expected to increase across manufacturing and service sectors and the recent introduction of GST is expected to further fuel growth in formal sector employment. (Source: CRISIL Report, March 2018)

We are an established player in the HR services industry in India with a market share of 1%-2% in the flexi staffing industry in India in fiscal 2016 (Source: CRISIL Report, March 2018). We presently operate from 15 branch and area offices that enable us to have a pan-India presence. We propose to increase our geographic penetration and expand our domestic branch network by establishing branch offices in Tier II cities to enable us to better serve our clients and increase our client sourcing capabilities. As the first phase of our proposed expansion into Tier II cities, we have identified Gurugram, NOIDA, Jaipur, Vijayawada, Coimbatore, Surat, Ranchi, Nagpur, Vadodra, Madurai and Jamshepur for setting up our branch offices. We further propose to strengthen our business development teams in Delhi, Mumbai and Chennai to capitalize on the increasing opportunities in the Indian staffing industry.

Further, the global staffing industry has grown at a CAGR of 6%-7% in the last decade despite economic slowdown (Source: CRISIL Report, March 2018). Flexi staffing solutions contribute to the largest portion of the global employment industry, followed by managed service provision and direct recruitment. Corporates, globally, have become more aware of the advantages of flexi-staffing, including meeting labour demand during times of immediate need and providing social security to employees among others. In terms of the CRISIL Report, it is expected that over the next few years, this awareness will encourage more companies to consider flexi-staffing as a viable employment option, leading to an expansion in the role of flexi staffing firms globally, propelled by a mix of the regulatory, technological and demand-supply factors. (Source: CRISIL Report, March 2018) We believe we are in a position to leverage our experience in the Indian HR service industry to seek growth opportunities on a global level.

### ***Expand through inorganic growth and strategic acquisitions***

As a part of our growth strategy, we believe that strategic investments and acquisitions of businesses engaged in the HR services industry may act as an enabler of growing our business. Accordingly, while we continue to maintain our thrust on organic growth, we intend to explore inorganic growth opportunities that will enable us to leverage our existing assets and offer our clients more comprehensive and attractive services. According to the CRISIL Report, the staffing industry in India highly fragmented, with only seven leading players having market shares of 1%-6%. Further, within the staffing industry, acquisition and consolidation provide growth opportunities for industry players (Source: CRISIL Report, March 2018). We continue to consider acquisition opportunities that will help us consolidate in this fragmented market and increase our market share in the overall HR services industry and specifically in the IT/ITeS industry. Further, we seek acquisition opportunities to increase our branch network, client base and geographical reach. We believe that strategic acquisitions would also enable us to establish our presence in newer industry segments, given the specific HR requirements of those segments. To further this strategy, we have propose to set aside ₹ 300.00 million from the Net Proceeds for our future acquisitions. As on the date of this Draft Red Herring Prospectus, however, we have not identified any strategic investment or acquisition opportunities and we seek to enter into any such acquisition on an opportunistic basis. For details, see “*Objects of the Offer – Fresh Issue - Details of the Objects*” on page 69.

### ***Increased focus on the BFSI sector, retail and e-commerce industries with further penetration in other industry segments***

Our flexi staffing solutions contributed to 95.03% and 95.08% to our revenue from operations for the nine months ended December 31, 2017 and fiscal 2017, respectively. The CRISIL Report expects that the flexi staffing industry in India is expected to grow at a CAGR of 14%-16% over the next five years to employ approximately five million persons by 2022. The e-commerce and logistics industries, along with the IT and IT enabled services (“ITeS”) industry are expected to be biggest drivers of growth in the flexi staffing industry and further are expected to give

impetus to formalization of employment in India (Source: CRISIL Report, March 2018). Flexi staffing in the IT and ITeS industry is expected to grow to 15.9% by fiscal 2022 from 10.2% in fiscal 2017. The need for technically upgraded skill-sets coupled with the high cost of acquiring talent is expected to encourage the industry to consider flexi staffing as a potential solution. (Source: CRISIL Report, March 2018)

We currently address the non-IT staffing requirements of the IT and ITeS industry. We seek to leverage our relationship with our existing clients in IT and ITeS industry to increase our presence in the IT/technical staffing space. Towards this objective, we have in place a dedicated recruitment team for recruiting Associates and Professionals qualified in IT and related field.

Additionally, over the next five years, flexi staffing in sectors such as BFSI is expected to increase from the current levels of 5.24% to 9.65%, while in retail it is expected to increase from 0.14% to 0.29% during such period. We are present in this industry through our permanent staffing solutions, primarily in the insurance sector and have secured certain marquee clients. We seek to expand into providing flexi staffing solutions and other HR Solutions to clients in the BFSI industry.

Further, the CRISIL Report expects that on the back of growth in e-commerce and trade, flexi staffing in logistics and telecom is expected to grow at a CAGR of 18%-20% over the next five years. We currently provide HR Solutions for backend logistics requirements of clients in the e-commerce industry. We seek to use this experience to foray into the providing HR Solutions to clients engaged in front-ended logistic services in the e-commerce industry, such as courier companies, enabling us to become a one-stop shop for HR Solutions in the e-commerce industry.

In addition to the efforts of our business development teams present across industry verticals, we propose to increase our brand building efforts through increased promotional campaigns to create awareness of our brand and services. We seek to convert these opportunities into increased demand for our flexi staffing solutions.

## Our Products and Services

An overview of our products and service are set forth below.

Service	Nine months ended December 31, 2017		Fiscal 2017		Fiscal 2016		Fiscal 2015	
	Amount (₹ in million)	% of Revenue from operations (%)	Amount (₹ in million)	% of Revenue from operations (%)	Amount (₹ in million)	% of Revenue from operations (%)	Amount (₹ in million)	% of Revenue from operations (%)
Manpower recruitment and outsourcing	6,572.73	97.91	7,627.21	97.82	6,042.77	97.51	5,008.12	97.07
Cargo handling services	22.00	0.33	40.75	0.52	54.08	0.87	70.08	1.36
Business support services	107.15	1.60	124.28	1.59	99.04	1.60	81.19	1.57
Facility management Services	9.53	0.14	3.60	0.05	-	-	-	-
Other services	1.47	0.02	1.63	0.02	1.47	0.02	0.18	Negligible
<b>Total</b>	<b>6,712.88</b>	<b>100.00</b>	<b>7,797.47</b>	<b>100.00</b>	<b>6,197.36</b>	<b>100.00</b>	<b>5,159.57</b>	<b>100.00</b>

Brief details of our products and services are set forth below.

### Manpower recruitment and outsourcing

Our core business is manpower recruitment and outsourcing for our clients across India, comprising permanent staffing solutions, flexi staffing solutions, payroll processing, compliance management and background checks and verification services. Our revenue from manpower recruitment and outsourcing was ₹ 6,572.73 million and ₹ 7,627.21 million for the nine months ended December 31, 2017 and fiscal 2017, respectively.

Brief details of each of these processes is set forth below.

## **A. *Flexi staffing solutions***

We commenced providing flexi staffing solutions in 2001, which has become our largest sub-vertical in terms of turnover and revenue generation, contributing to 95.03% and 95.08% of our revenue from operations for the nine months ended December 31, 2017 and fiscal 2017, respectively. Our flexi staffing solutions allow us to capitalize on opportunity created by the mismatch between demand and supply of skilled workforce at our clients' organization.

Under our flexi staffing solutions, our relationship with our client is that of a principal employer and independent contractor and we enter into separate agreements with our clients for providing these services. Once the agreement is executed, we recruit personnel on our payroll, based on the requirements of our client. These Associates, i.e., employees, who are on our rolls, who are deputed at our client's organization from time to time, are then deployed at the client's organisation for execution of specified roles or activities. While these Associates are managed by our clients, they continue to remain on our payroll. Under this vertical, we have also entered into an agreement for providing of certain business auxiliary services, which includes, among other things, undertaking quality checks at the manufacturing facility of our client and driving, moving vehicles within such premises and maintaining overall housekeeping of such premises.

As part of our flexi staffing solutions, we assist our clients in recruitment of Associates as well as their orientation, on-boarding and joining processes. After these Associates are placed with the client, we continue carrying out other administrative services in relation to their employment, including monthly payroll processing, benefits administration, leave management and exit management. We also ensure compliance with statutory obligations and maintain records of such compliance. Additionally, we handle attrition management for our clients by engaging with our Associates at regular intervals and resolving their grievances through a single point of contact as well as through one-to-one meetings with our Associates.

### *Management team*

Our flexi staffing solutions vertical is managed by a team comprising 175 employees and is headed by Mr. Yashwant Pratap Bahadur Singh, our Joint Chief Executive Officer (Flexi Staffing Solutions - Operations), who has been associated with our Company for over 16 years.

### *Talent acquisition*

We have in place an internal recruitment team, which assists in recruiting Associates for placement with our clients' organisations. We recruit Associates from various external vocational training agencies and institutes, at job fairs, our Company's portal, a search of our own database of individuals, walk-in interviews and newspaper advertisements. We typically recruit Associates from time to time based on requirements put forth by our clients and based on the specific eligibility requirements of our clients.

### *Clients and placements*

As on February 5, 2018, we had placed 50,057 Associates, who are on our rolls, pursuant to our flexi staffing solutions with 434 clients. Our key clients with whom we place our Associates include Bharti Airtel, Bosch and Hathway.

### *Payment structure and revenue*

In case of Associates, we process their salary and reimbursements received from their employers and credit these amounts directly to the accounts of the Associates, after deducting applicable TDS. While processing the salary and reimbursement amounts, we take into consideration any loans taken by the Associate from their employer or any other deductions required to be made from their salary. Further, we also credit PF contributions to which these Associates are entitled to, directly into our PF Trust.

We charge a one-time fee from our client when we place an Associate at the client's organization. Thereafter, we charge a fixed monthly fee per Associate from our clients and a percentage of any reimbursements that are made to the Associate. Further, in the event our Associate is absorbed by our client, we charge a specified one-time absorption fee for such Associate(s), which in certain cases may be conditional on the time spent by such Associate

on our payrolls. We are also responsible for maintaining insurance for our Associates and accordingly, charge our clients for any insurance that we avail of on behalf of the Associates.

### *Technology*

Our flexi staffing solutions software, which is developed on the Microsoft platform, seeks to provide automation to the entire associate lifecycle process. This software can be used by employers to check KYC of Associates and monitor cost to company (“CTC”), attendance and leave records, income tax payments, salary and reimbursement, incentive calculations, appraisals of Associates and full and final settlements for Associates resigning form or whose placement is terminated by our client. Further, certain accounting based functions can be performed such as invoicing, disbursements of salary, reimbursements and advance and calculating aggregate debts owed to the Company, if any, by the Associate. Further, the flexi staffing solutions software has an in-built employee self-service portal through which an Associate can login to view, apply and download or upload information like pay-slip, CTC, leave information, income tax declarations/returns, among others. This software is globally accessible from within or outside our Company’s internal systems and can be easily upgraded by our Company as required, without requiring us to wait for release of newer versions of the software. We have filed an application dated March 8, 2018 with the Registrar of Copyrights, Delhi for registration of copyright for this technology.

### **B. Permanent staffing solutions**

We commenced our business in 1993, providing permanent staffing solutions to our clients through which, we assist our corporate clients in hiring senior and mid-level Professionals. Under our permanent staffing solutions our role comprises identification and placement of a suitable candidate with our corporate clients. The identification of suitable Professionals is undertaken through one or all of the following processes:

- *Retained executive search* – we use this tool for recruiting senior level executives by identifying the most qualified and suitable candidate that match the specific requirements of our client. Our executive search team specifically identifies profiles using various methods of talent acquisition and submits these to the client after conducting a preliminary interview;
- *Search and placement* – this involves specific selection assignments to place Professionals at senior and middle level positions. Our role includes aggregation of résumés from our internal databank and their validation through preliminary interviews and reference checks;
- *Advertised selection* – we use this tool for recruiting Professionals for specified positions within crunched timelines. We provide resources for carrying out back-end services including obtaining approval for and releasing advertisements, shortlisting résumés, conducting preliminary interviews and coordinating final interviews with the client, follow-up post recruitment and providing a detailed list of all résumés received, accepted, rejected and Professionals placed; and
- *Turnkey solutions* – aimed at fulfilling large-scale recruitment needs of our clients, this process combines database selection, advertised selection and our executive search tools. We provide résumé validation, test administration and interview coordination services.

Once we have identified applicants that match the requirements of our clients, we, along with the HR team of our client, conduct interviews, post which the most suitable applicants are shortlisted for placement at our client’s organisation. Once the selection process is completed from the shortlisted applicants, the successful applicant(s) is issued an offer/appointment letter by our client and the applicant then assumes his/her role at the client’s organization. Once the appointment is complete, we receive a one-time our fee in accordance with the terms of our agreement with such client.

We also undertake recruitment process outsourcing, wherein our scope of activity extends from designing the recruitment process, once our client provides us with the description of the role and specifications, to on-boarding of the Professionals and retention and feedback for a period of six months in terms of job satisfaction and probability of attrition. We also provide a dedicated ‘site implant’ at the client’s organization through joint consultation with our client based on their requirements and the significance of such client.

### *Management team*

Our permanent staffing solutions vertical is managed by a team comprising 18 employees and is headed by Ms. Pritika Yadav, our Whole-time Director, who has been associated with us since 2009.

### *Talent acquisition*

Our internal recruitment team is entrusted with identifying and recruiting suitable Professionals for our clients and based on the position to be filled, we recruit Professionals through job fairs, résumés uploaded on our portal, our internal database, newspaper advertisements and through external digital platform.

#### *Placements*

For the last three fiscals, until February 5, 2017, we had placed 979 Professionals pursuant to our permanent staffing solutions.

#### *Payment structure and revenue*

We charge a one-time fee, calculated as a percentage of the CTC of the Professional placed, from our clients, on successful joining of the Professional at the client's organisation. Thereafter, the Professionals are on the rolls of our client and the complete CTC in relation to such Professionals is borne directly by the client. Further, based on the method used for recruitment, we charge our clients in advance for any advertisements published for recruitments.

With respect to our RPO operations, we receive fee for our services at two stages. We receive a fixed one-time fee, calculated as a percentage of the CTC of the Professional placed, on successful joining of the Professional, which amount is payable within one month from such date. Subsequently, we levy a fixed assignment fee on a monthly basis, payable by the client within a specified timeframe.

#### *Technology*

Recruitment management solutions ("RMS") software, based on the Microsoft platform, is used for our permanent staffing solutions and temporary hiring solutions. The entire recruitment process from candidate sourcing to payment collection management has been integrated into the RMS software. The RMS software is globally accessible from within and outside our Company.

### **C. Payroll Processing**

Under our payroll processing services, we undertake management of the payroll processes of our client, including monthly payments to be made to its employees. Once our agreement for payroll processing is executed with our client, we typically require our client to migrate its entire employee information database to our systems. Thereafter, we carry out processing of salary payments and reimbursements, bonus calculations, computation for deduction of TDS from the employees' salaries, employees' monthly attendance and leave management, among others. Our clients are required to provide timely updates in case of new employees and employees exiting its organisation. We provide our clients monthly reports on any variance in salaries paid, attendance of employees, computation sheets for provident fund, employee state insurance and professional tax required to be paid by the client, among others.

#### *Management team*

Our payroll processing services are managed by a team comprising 12 employees and is headed by Mr. Swapnesh Kumar, our Whole-time Director, who has been associated with us since 2015.

#### *Key clients*

As on February 5, 2018, we were providing payroll processing services to 95 clients. Key clients who avail our payroll processing services include Hitachi Data System India Private Limited.

#### *Payment structure and revenue*

For providing payroll processing services, we charge our clients on a monthly basis, after the payments under the payroll processing services for the relevant client are completed.

### *Technology*

We use SAAS based payroll solution software, a web based solution developed on the Microsoft platform, for managing our clients' payrolls. This software can be customised to suit our clients' varied needs and broadly allow our clients to manage their employees' CTC, attendance and leave records, income tax declarations/forms and salary disbursements.

### **D. Compliance Management**

Our compliance management services focus on assisting our client in ensuring compliance with applicable statutory requirements in a timely manner. As part of our compliance management solution we conduct HR and statutory due diligence as well as statutory compliance audits for our clients. Based on our findings, we provide recommendations and other advisory services to our clients to aid timely statutory compliance. We also assist our clients by ensuring timely amendments to and renewals of registrations with and approvals from applicable authorities under various Indian laws, including Factories Act, 1948 ("**Factories Act**"), relevant shops and establishment legislations, Payment of Bonus Act, 1965 ("**Bonus Act**"), Payment of Gratuity Act, 1972 ("**Gratuity Act**"), the EPF Act and the Employee State Insurance Act, 1948 ("**ESI Act**"), among others.

### *Management team*

Our compliance management services are managed by a team comprising 27 employees and is headed by Mr. Swapnesh Kumar, our Whole-time Director.

### *Key clients*

As on February 5, 2018, we were providing compliance management services to 109 clients.

### *Payment structure and revenue*

For providing compliance management services, we charge our clients a one-time compliance management fees on registrations with us and thereafter, charge a monthly compliance management fees for undertaking periodic compliance management activities for our clients.

### *Technology*

Our compliance software, developed on the Microsoft platform, is aimed at facilitating better and systematic management of labour and employment law compliance through an online system. It has been developed as a one-stop solution for managing compliance, which integrates with the clients' internal database comprising employee details and facilitates monthly compliance activity through online computation of various levies and contributions required under different labour laws and file returns with applicable authorities. All the prevailing legislations and notifications thereunder as applicable in different Indian states have been built into this software. Further, this compliance software also helps identifying forthcoming renewals of registrations or approvals and the returns filed for previous periods.

### **E. Background Checks and Verification**

In addition to the background checks and verification processes that form part of our manpower recruitment process, we provide specialized background checks and verification services to our clients pursuant to which, we verify several credentials provided by prospective employees as well as existing employees in the client's organization. These credentials pertain to the employees' (a) identity, to validate identity proofs submitted to the client's organization; (b) personal and professional parameters such as educational qualifications, past work experience, residential address authentication and medical history; (c) past and present court records, including records of any criminal activity involving such employee; (d) credit history; (e) associations with any restricted organisations or groups or nations prescribed under the list issued by the Office of Foreign Asset Control, Department of the Treasury, United States; and (f) history or involvement with any prohibited drugs.

### *Management team*

Our background checks and verification services are managed by a team comprising 13 employees and is headed by Ms. Rashmi Yadav Korada, our Whole-time Director.

### *Key clients*

For the last three fiscals until February 5, 2018, we completed background checks and verification for 68,491 records. Further, as on February 5, 2018, we were providing background checks and verification services to 232 clients. Key clients who avail our background checks and verification services include Karvy Data Management Services Limited.

### *Payment structure and revenue*

We charge our clients a one-time fixed fee, based on the number of employees for whom we conduct the background check. Such fee is received by us on completion of our mandate.

### *Technology*

Our background check software is an online solution, developed on the Microsoft platform, which has been designed and developed for internal use by our background check team and by our clients. It allows for undertaking case management, vendor management, invoice and payment management. This software can be globally accessed.

### **Cargo handling**

We earn revenue from cargo handling pursuant to an agreement with our client engaged in providing commodity based services. In terms of such agreement, our Company is responsible for deputing Associates at such client's organisation for fixed periods of time and in accordance with the requirements of our client. Under the terms of such agreement, our Company is entitled to receive from our client a one-time fee as well as a fixed monthly fee per Associate deputed. Further, the agreement provides for fixed rate of compensation to our Company in the event any Associate is absorbed by such client. Our Company is responsible for payment of salaries and other benefits, including PF payments and maintenance of insurance, to such Associates, which the client is required to subsequently reimburse.

Our revenue from cargo handling services for the nine months ended December 31, 2017 and fiscal 2017 was ₹ 22.00 million and ₹ 40.75 million, respectively.

### **Business Support Services**

Our Company provides business support services, pursuant to an agreement with a company engaged in providing below the line marketing activities for promotion of products and services. In terms of such agreement, our Company has been appointed by our client for providing support services in relation to certain marketing, sales and promotional activities, either itself, or through our employees or consultants.

Our revenue from business support services for the nine months ended December 31, 2017 and fiscal 2017 was ₹ 107.15 million and ₹ 124.28 million, respectively.

### **Other services**

We also provide certain other software related services, which primarily includes the sale of Genius PayHR software to our clients. Our revenue from these other services was ₹ 1.47 million and ₹ 1.63 million for the nine months ended December 31, 2017 and fiscal 2017, respectively.

### *Sale of software*

To further aid our clients in managing their internal HR functions, we have developed the Genius PayHR software, which our clients can acquire, either pursuant to a perpetual license or as cloud based service. In case of perpetual licenses, we record our revenue when the license is acquired from us. If our clients opt to acquire the software as a cloud based service, we account for this revenue within our product vertical of payroll processing services.

Genius PayHR has been developed by us as an online and offline solution for managing all types of payroll and HR activities. This software has been equipped to manage a the life-cycle of HR activities, commencing from employee recruitment process to exit management, and covering online document management, biometric and

geo-tracking attendance, online leave management, training calendar and performance appraisal, among others. The PayHR software is completely web-based and can be accessed globally.

As of February 5, 2018, four clients were using the HRMS software.

Additionally, we are in the process of developing a software comprising a compilation of all labour and employment related compliance requirements under various Indian laws. We expect to commence sales of this software as a comprehensive compliance guide on an add-on basis to our clients. Our clients can choose to purchase this software on a license fee basis or through cloud.

### **Facility Management Services**

We recently forayed into extending FMS to our clients. We provide cleaning services and house-keeping services under our FMS vertical. Cleaning facilities include daily and periodical cleaning services, special cleaning services and specified segment cleaning. Our house-keeping services include housekeeping services, maintenance of guest houses, janitorial services, vendor management, store management and providing personnel for operation and management of pantries and office administrative support. In providing FMS we evaluate the specific venue and client requirements, design customized packages for our clients adhering to their timing and budgetary requirements, preparing and planning logistical requirements and arranging for adequate equipment and providing the services in a professional, transparent manner.

#### *Management team*

We have a separate FMS team headed by Mr. Kaushik Mazumdar at the national level, who has been associated with our Company for 14 years.

#### *Key clients*

As on February 5, 2018 25 clients availed FMS from our Company. Our key clients who use FMS include Bosch. Our revenue from FMS was ₹ 9.53 million and ₹ 3.60 million for the nine months ended December 31, 2017 and fiscal 2017, respectively.

#### *Payment structure and revenue*

We receive a fixed percentage on the gross salary of each Associate placed by the Company with the client for providing them FMS.

### **Business Development**

Our business development team is spread across our offices and headed by our Joint Chief Executive Officer (Business Development), Mr. Abir Gangoly and business development activities in the eastern region is headed by our Whole-time Director, Mr Swapnesh Kumar. Our business development team comprised 35 employees as on February 5, 2018. Our business development team is engaged in identifying potential opportunities and converting them into revenue generating businesses for our Company.

### **Pan-India Network**

We have a pan-India presence and work out of eight branch offices, including our Registered and Corporate Office at Kolkata, and seven area offices, covering over 950 locations across the country. We are present across major cities in India, including Delhi, Mumbai, Kolkata, Chennai, Bengaluru and Hyderabad, among others.

Our branch offices perform a broad range of functions and activities and directly report to our head office at Kolkata. We have also established area offices at specified locations to cater to the HR requirements of specified clients. This allows us to respond effectively to our clients' requirements and resolve their queries and grievances efficiently and with minimal downtime.

## Competition

The HR services and staffing industry in India and globally is highly fragmented with the seven leading players in the Indian staffing industry having market shares between 1% and 6%. Our primary competitors in India include the following:

Name of Competitor	Key segments	Key sectors of operations
Innovosource Private Limited (formerly Global Innov)	Staffing, FMS and security services	Fast moving consumer goods (“FMCG”), BFSI, telecommunications, IT and ITeS
Teamlease	Staffing, payroll processing and recruitment services	Healthcare, financial services and infrastructure
Quess Corp	Global technology solutions and staffing	IT and ITeS, industrial and infrastructure
Needs Manpower	Staffing	FMCG, manufacturing and automobile
Adecco India	Staffing, recruitment process outsourcing and managed services	FMCG, telecommunications and BFSI
Randstad India	Staffing facilities management and HR solutions	Manufacturing, automobile and construction

(Source: CRISIL Report)

Globally, our competitors include Kelly Services, Randstad, Adecco, Manpower, Hays, Recruit Holdings and the GI Group in the staffing industry (Source: CRISIL Report).

## Human Resources

As on February 5, 2018 we had 392 full time core employees on our rolls.

Further, as on February 5, 2018, 50,057 employees on our payrolls are hired by us as temporary or contract workers to be placed as ‘Associates’ with our clients under our flexi staffing solutions. In these cases, we are responsible for the administration of employment of these employees an under applicable laws of India.

Our training activities for our employees include (a) operational skill enhancement training (“OSET”) which are knowledge based training sessions undertaken by an internal trainer within each division; (b) self enhancement training (“SET”) involving development of soft skills and overall personal development of our employees; (c) necessity based operations training (“NBO”) are undertaken for identified employees based on specific needs and exigencies; (d) annual divisional training (“ADT”), conducted by national heads of our product verticals on an annual basis; (e) training activities undertaken by external trainers from professional institutes and includes training for hard skills and soft skills and are conducted based in requirement; and (d) professional training activities conducted by professional training institutes from time to time.

We have also established the ‘Genius Consultants Employees Provident Fund’, our PF Trust by a trust deed dated October 23, 2006 and amended from time to time. Mr. Rajendra Prasad Yadav, our Chairman cum Managing Director, Ms. Rashmi Yadav Korada, our whole-time Director, Mr. Abir Gangoly and Mr. Saurabh Sett are trustees of our PF Trust. The PF Trust is exempt from the operation of EPF Act, pursuant to a notification dated May 14, 2015 issued by the MoLE, for deposit of PF contributions on behalf of our employees. The PF Trust enables quicker processing of settlement claims for dissociated employees.

Additionally, we have established the ‘Genius Consultants Ltd. Employees’ Group Gratuity Fund’ (“Gratuity Trust”), a trust established pursuant to a deed dated September 13, 2002 and amended by a deed of amendment to the trust dated February 21, 2018, for establishing a group gratuity scheme for providing gratuity benefits to employees retiring or on termination of service after a minimum period of time. Mr. Rajendra Prasad Yadav, our Chairman cum Managing Director, Ms. Pritika Yadav, our Whole-time Director and Mr. Saurabh Sett, our chief financial officer are the trustees of our Gratuity Trust.

## Information Technology

We have a robust IT department, comprising 34 employees and headed by our IT national head, who has been associated with us for 15 years. Our IT department has been instrumental in developing our in-house software for our HR Solutions, in respect of which we have filed an application with dated March 8, 2018 with the Registrar of Copyrights, Delhi for registration of copyright. Our IT department helps us customize our IT systems as per

our internal requirements as well as any specific requirements prescribed by our clients. Further, our information security management system, which has been certified to be compliant with ISO/IEC 27001:2013 standards by LMS Certification Private Limited, allows us to respond faster to our clients and Associates, including in respect of salary disbursements. For further details of our certifications, see “*History and Certain Corporate Matters – Awards and Accreditations – Quality Certifications*” on page 126.

For details on specific software and solutions developed by us, see “- *Our Products and Services*” above.

### **Insurance**

We maintain standard insurance policies for our assets and our employees. As of February 5, 2018, our material policies included: (i) fidelity policy; (ii) fire policy; (iii) group mediclaim policy; (iv) group personal accident policy; (v) group term insurance; and (vii) workmen’s compensation insurance policies. The insurance policies are reviewed periodically to ensure that the coverage is adequate. However, notwithstanding our insurance coverage, disruptions to our operations could nevertheless have a material adverse effect on our business, results of operations and financial condition to the extent our insurance policies do not cover our economic loss resulting from such damage.

### **Intellectual Property**

Our intellectual property rights are important to our business. We have registered our logo  , under the classes 35 and 42, as prescribed under the Trademarks Act, 1999 (“**TM Act**”), each of which are valid until September 2024. Additionally, we have filed applications to register the logo for ‘*Genius-Hire to Retire*’ under class 35 of the TM Act and registering the logo ‘*Genius – HR Excellence Award*’ under class 41 of the TM Act, both of which are pending registration as on date. We have also filed an application dated March 8, 2018 with the Registrar of Copyrights, Delhi. For details, see “*Government and Other Approvals – Intellectual Property*” on page 205.

### **Immovable Property**

As on January 31, 2018 we were operating from 15 offices, including our Registered and Corporate Office at Kolkata, which is owned by us. Additionally, we have seven branch offices and seven area offices as on February 5, 2018, all of which have been leased by us.

### **Corporate Social Responsibility**

We propose to undertake corporate social responsibility (“**CSR**”) as a sustainable social initiative to integrate our resources with the needs of the society. To this end, we have established the Genius Foundation, a trust created pursuant to a trust deed dated May 12, 2017 and the dissolution of the registered society, Grow Genius Foundation, for undertaking the CSR activities on behalf of our Company. Mr. Rajendra Prasad Yadav, our Chairman and Managing Director, Mr. Saurabh Sett, our CFO and Mr. Prabir Kumar Chakraborty, are the trustees of Genius Foundation.

The objects of the Genius Foundation trust are (i) supporting and promotion of education and skill development among poor persons, (ii) promotion of education and providing financial assistance for education, where required, (iii) increase employability and encourage literacy, including by establishing schools, colleges and adult literacy centres, (iv) providing for medical care and facilities for the poor and (v) to promote study of socio-economic issues and work for the development of the rural and other poor towards their educational, economic and cultural health, hygiene and environmental and related matters. The Genius Foundation is permitted under its objects to collect and receive donations and other subscription from various organisations or institutions and corporates as well as make donations to governmental and non-governmental and other voluntary organisations for undertaking welfare activities.

However, activities undertaken in the normal course of business of our Company, activities for the benefit of our employees and their families, one-time events such as marathons, activities undertaken under specific labour legislations, contributions to political parties and CSR activities undertaken outside of India by our Company will not be considered as CSR under our CSR policy.

Our Company has constituted the CSR Committee of our Board, comprising Mr. Swapnesh Kumar (*chairman*), Mr. Rajendra Prasad Yadav, Mr. Prabir Kumar Chatterjee and Mr. Mahesh Kumar Maheshwari, for

recommending the amount of CSR expenditure and monitoring our CSR activities. For further details on the constitution and terms of reference of our CSR Committee, see “***Our Management – Board of Directors – Board Committees – Corporate Social Responsibility Committee***” on page 137. During fiscals 2017, 2016 and 2015, we spent ₹ 2.64 million, ₹ 1.94 million and ₹ 1.44 million, respectively, on undertaking CSR activities. As part of our CSR activities, the Genius Foundation launched ‘*Project Shiksharpan*’, with the objective of reimbursing actual education expenditure incurred in relation to children with financially weak backgrounds. Further, we have been associated with projects undertaken by associations such as ‘Child Rights and You (CRY)’ and ‘Vikramshila’ in relation to child rights and education, by making donations to such associations.

## KEY REGULATIONS AND POLICIES IN INDIA

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

*For details of our products and services, please refer to “**Our Business**” on page 104*

*Under the provisions of various central government and state government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct their respective business and operations. For details of key approvals obtained and maintained by our Company, see “**Government and Other Approvals**” on page 204*

### **Labour and employments related laws**

India has extensive legislation relating to labour and employment. Preliminary information on some of the labour and employment related laws that may be applicable to us has been provided below. This list is not exhaustive and does not cover all provisions of the law specified or other applicable labour laws.

#### ***The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952***

The EPF Act applies to factories and other establishments employing 20 or more persons as notified by the Government of India from time to time. 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 wage and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the state Provident Fund Commissioner. Pursuant to Section 17 of the EPF Act, the Government is empowered to exempt an employer from the operation of any or all the provisions of the EPF Act. However, an exempt employer is required to establish a board of trustees for the administration of the provident fund consisting of such number of members in accordance with the provisions of the EPF Act and the scheme framed thereunder. Our Company has received such exemption under Section 17 of the EPF Act and has established the PF Trust.

#### ***The Employees’ State Insurance Act, 1948***

The ESI Act applies to all factories that are non-seasonal in nature and establishments that are notified by the appropriate state government in consultation with the Government of India from time to time. The ESI Act provides for a need based social insurance scheme under which the employer and employee must contribute certain percentage of the monthly wage of the employees as prescribed by the Government of India from time to time to the Employee State Insurance Corporation established under the ESI Act. The ESI Act provides for benefits to employees in case of sickness, maternity and employment injury.

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

Under the 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 Wages Act, 1936 (“Payment of Wages Act”)***

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, where the monthly wages payable are less than ₹ 24,000 whether directly or indirectly, through a sub-contractor and provides for the imposition of fines on persons responsible for payment of wages and deductions and lays down wage periods.

### ***The Payment of Bonus Act, 1965 (“Payment of Bonus Act”)***

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 has 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 an employer is punishable with imprisonment or fine, or both, against persons in charge of, and responsible to the employer for the conduct of the business of the employer at the time of contravention, as well as the employer.

### ***The Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA Act”)***

The CLRA Act regulates the employment of contract labour in certain establishments. The CLRA Act applies to every establishment in which 20 or more workmen are or were employed in the preceding 12 months as contract labour and to every contractor who employs or employed on any day during the preceding 12 months, 20 or more workmen. 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 such establishment. Likewise, every contractor to whom the CLRA Act applies, is required to obtain a license and is prohibited from undertaking or executing 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 such facilities. The contravention of the provisions of the CLRA Act and the rules and regulations thereunder is punishable with imprisonment for upto three months and a fine of upto ₹1000 rupees, or both and an additional fine of ₹100 each day until the contravention continues.

### ***Shops and Commercial Establishments legislations***

The provisions of various shops and establishments legislations, applicable in the states in which the establishments are set up, regulate the conditions of work and employment of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtimes, holidays, leaves, termination of service, maintenance of shops and establishments, rules for employment of children and other rights and obligations of the employers and employees.

### ***The Equal Remuneration Act, 1976 (“ER Act”)***

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 the employer in the prescribed manner.

### ***The Maternity Benefit Act, 1961 (“Maternity Benefit Act”)***

The 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 persons 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 is required to 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 26 weeks, of which not more than eight 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 Payment of Gratuity Act, 1972 (“Payment of Gratuity Act”)***

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 Government of India 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.

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

The SHWPPR Act aims to provide women protection against sexual harassment at the workplace and prevention and redressal of complaints in relation to sexual harassment. The SHWPPR Act defines ‘sexual harassment’ to include any unwelcome acts or a 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 stadia 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 10 or more persons, which is empowered under the SHWPPR Act to conduct an inquiry into any complaint for sexual harassment. The district officer in turn is required to set up a ‘local complaint committee’ at the district level to investigate complaints regarding sexual harassment from establishments where the internal complaints committee has not been constituted. Factors like mental trauma, medical expenses, loss in the career opportunity and income shall be taken into account while determining compensation. The duties of the employer and the district officer are provided in the SHWPPR Act.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as ‘Genius Consultants Private Limited’ on July 27, 1993, as a private limited company under the Companies Act 1956, at Kolkata, with a certificate of incorporation granted by the RoC. Subsequently, pursuant to a resolution dated September 24, 1999 of our shareholders, our Company’s name was changed to ‘Genius Consultants Limited’ and the RoC issued a fresh certificate of incorporation consequent upon change in name on conversion to a public company on October 14, 1999.

### Business and management

For a description of our activities, services, technology, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our management, major suppliers, environmental issues, regional geographical segment, etc., see “*Our Business*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 104, 82 and 181, respectively. For details of the management of our Company and its managerial competence, see “*Our Management*” on page 128.

### Changes in Registered Office

Details of prior changes in the registered office of our Company are as set forth below.

Effective date	Details of change	Reasons for change
March 4, 2002	The address of the registered office of our Company was changed from 4, Circus Avenue, ‘Circus Plaza’, 2 <sup>nd</sup> Floor, Kolkata 700 017, West Bengal, India to ‘Shrachi Centre’, 4 <sup>th</sup> Floor, 74B, A.J.C. Bose Road, Kolkata 700 016, West Bengal, India.	Administrative convenience
February 1, 2010	The address of the registered office of our Company was changed from ‘Shrachi Centre’, 4 <sup>th</sup> Floor, 74B, A.J.C. Bose Road, Kolkata 700 016, West Bengal, India to 31, Dr. Ambedkar Sarani, 2nd Floor, Kolkata 700 046, West Bengal, India.	
April 29, 2013	The address of the registered office of our Company was changed from 31, Dr. Ambedkar Sarani, 2nd Floor, Kolkata 700 046, West Bengal, India to Synthesis Business Park Tower, 1C, 1 <sup>st</sup> Floor, CBD/1, Action Area II, New Town, Kolkata 700 156, West Bengal, India	

### Our main objects

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

- To carry on in India or foreign countries or elsewhere the business of manpower outsourcing and/or temporary staffing and all related activities and technical, legal, financial and management consultants, advisers, innovators, software designers, developers and/or marketers, administrators, agents, recruitment and placement consultancy service providers, imparting training in various fields, areas and subjects including but not limited to vocational training of any form namely classroom, electronic media or training by correspondence etc. and to conceptualize, design, execute and operate all kinds of activities pertaining or relating to contract employees or to facilitate employee leasing by offering services from time to time for outsourcing administration.*
- To undertake background checking and verification for and on behalf of clients and to undertake all kinds of activities relating or pertaining to Business Process Outsourcing (BPO), Knowledge Process Outsourcing (KPO) and Call Centre.*
- To act as advisors and/or consultants on all matters relating to Business Support including administration, management, organization, production, storage process, to organize training program, induction program, seminar and all types of workshop (in-house and outside) to assist clients/company (ies) in preparation of their loan applications to bank and/or such other financial institutions, to provide payroll processing service, attendance processing, leave management, loan management, bonus calculation, income tax computation, income tax paper checking, reimbursement paper checking, reimbursement management, full and final settlement services and all other activities related to payroll processing.*

4. *To handle, supervise and/or facilitate accounting and statutory and/or regulatory compliances namely, accounts payables and receivables, billing, book-keeping, credit and collections, payroll, auditing and assurances, taxes and other statutory compliances pertaining or relating to labour laws including Provident Fund, Employees State Insurance (ESI), Gratuity, Bonus, Maternity Benefits etc., to maintain personal record for individual associates and all other related activities.*
5. *To design, develop, buy, sell, import, export or otherwise deal in software for personal and business accounting, auditing, book-keeping, house-keeping and tax preparation, data migration, data management, data storage centre, installation, cloud server management training and all other services in connection with software support.*
6. *To render or provide for cargo handling services and all its related activities such as weighing, loading, unloading, packing, packaging, stacking, sampling or unpacking of cargo and including cargo handling services provided for freight in special containers or for non-containerized freight, services relating to container freight terminal, for all modes of transport and cargo handling services incidental to freight and also related to handling of export cargo and to arrange for third party warehousing services.*
7. *To carry on the business of providing Facility Management Services by way of provision of staff and services for the management of client facilities and services. To provide housekeeping, corporate services, floor keeping, care taking and maintenance and to engage in the business of washing, cleaning, dusting, brooming, polishing, vacuuming, interior decorating, shampooing, disinfecting, soap moping, waxing, perfuming, providing toilet requisites of offices, residential apartments, flats, restaurants, bars, taverns, industries, cinema houses, institutions and studios. To carry on business of processing, cleaning, securing, dusting, vacuuming, brooming, bleaching, dying, disinfecting, shampooing, perfuming, renovating and laying of carpets, under lays, articles of the floor covering, furnishing fabrics and underlay of all kind. To act as a canteen and security contractors. To provide sweeper, gardeners, labourers and plumbers.*
8. *To provide security services, to set up and provide complete security systems to banks, individuals, commercial and Government establishments including shops, departmental stores, residential houses, commercial buildings and areas. To manufacture, assemble, trade supply, import and deal in all type of alarms systems, vehicles including armoured vehicles, equipment, plant and machinery, spares and gadgets, which are used in setting up security systems or in providing security of all types subject to license and approval of necessary authorities. To establish, maintain and operate Services, in and outside India, to banks, individual(s), commercial and government establishments including shops, departmental stores, residential houses, commercial buildings and areas, through its employees or through subcontractors, for providing complete Security Solutions including Private Security & Safety, be it static or patrolling, Executive Escort and Protection, Event Management, Cyber Security, Investigation and Invigilation Services, Risk Analysis and Crisis Management, and in the matter of business activities to provide Security Personnel, security equipments and Advisory Services and in general carry on the business of a Private Security Agency.*
9. *To facilitate need based top level recruitment through advertisement, Recruitment Process Outsourcing (RPO), Human Resource Outsourcing (HRO), HR-BPO and all other related activities, market research and to provide all types of services pertaining or relating to HR/Marketing Activities.”*

#### **Amendments to our Memorandum of Association**

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

<b>Date of change/ shareholders’ resolution</b>	<b>Nature of amendment</b>
November 8, 1994	The authorised share capital of our Company was increased from ₹ 200,000 divided into 20,000 Equity Shares to ₹ 500,000 divided into 50,000 Equity Shares.
December 28, 1995	The authorised share capital of our Company was increased from ₹ 500,000 divided into 50,000 Equity Shares to ₹ 600,000 divided into 60,000 Equity Shares.
September 24, 1999	The authorised share capital of our Company was increased from ₹ 600,000 divided into 60,000 Equity Shares to ₹ 1,000,000 divided into 100,000 Equity Shares.

<b>Date of change/ shareholders' resolution</b>	<b>Nature of amendment</b>
October 14, 1999	Clause I was altered to reflect the change in the name of our Company was from 'Genius Consultants Private Limited' to 'Genius Consultants Limited'
February 14, 2007	The authorised share capital of our Company was increased from ₹ 1,000,000 divided into 100,000 Equity Shares to ₹ 5,000,000 divided into 500,000 Equity Shares.
March 28, 2008	The authorised share capital of our Company was increased from ₹ 5,000,000 divided into 500,000 Equity Shares to ₹ 10,000,000 divided into 1,000,000 Equity Shares.
March 26, 2010	The authorised share capital of our Company was increased from ₹ 10,000,000 divided into 1,000,000 Equity Shares to ₹ 15,000,000 divided into 1,500,000 Equity Shares.
November 30, 2011	The authorised share capital of our Company was increased from ₹ 15,000,000 divided into 1,500,000 Equity Shares to ₹ 25,000,000 divided into 2,500,000 Equity Shares.
September 30, 2013	The authorised share capital of our Company was increased from ₹ 25,000,000 divided into 2,500,000 Equity Shares to ₹ 40,000,000 divided into 4,000,000 Equity Shares.
September 28, 2015	The authorised share capital of our Company was increased from ₹ 40,000,000 divided into 4,000,000 Equity Shares to ₹ 70,000,000 divided into 7,000,000 Equity Shares.
March 8, 2017	Alteration of Clause III of the memorandum of association, as follows:

**“(A) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**

1. *To carry on in India or foreign countries or elsewhere the business of manpower outsourcing and/ or temporary staffing and all related activities and technical, legal, financial and management consultants, advisers, innovators, software designers, developers and/or marketers, administrators, agents, recruitment and placement consultancy service providers, imparting training in various fields, areas and subjects including but not limited to vocational training of any form namely classroom, electronic media or training by correspondence, etc. and to conceptualise, design, execute and operate all kinds of activities pertaining or relating to contract employees or to facilitate employee leasing by offering services from time to time for outsourcing administration.*
2. *To undertake background checking and verification for and on behalf of clients and, to undertake all kinds of activities relating to pertaining to Business Process Outsourcing (BPO), Knowledge Process Outsourcing (KPO) and call centre.*
3. *To act as advisors and/or consultants on all matters relating to business support including administration, management, organisation, production, storage process, to organise training program, induction program, seminar and all types of workshop (in-house and outside) to assist clients/company(ies) in preparation of their loan applications to bank and/or such other financial institutions, to provide payroll processing service, attendance processing, leave management, loan management, bonus calculation, income tax computation, income tax paper checking, reimbursement paper checking, reimbursement management, full and final settlement services and all other activities related to payroll processing.*
4. *To handle, supervise and/or facilitate accounting and statutory and/or regulatory compliances namely, accounts payables and receivables, billing, book-keeping, credit and collections, payroll, auditing and assurances, taxes and other statutory compliances pertaining or relating to labour laws including provident fund, Employees State Insurance (ESI), gratuity, bonus, maternity benefits, etc. to maintain personal record for individual associates and all other related activities.*
5. *To design, develop, buy, sell, import, export or otherwise deal in software for personal and business accounting, auditing, book-keeping, house-keeping and tax preparation, data migration, data management, data storage centre, installation, cloud server management training and all other services in connection with software support.*
6. *To render or provide for cargo handling services and all its related activities such as weighing, loading, unloading, packing, packaging, stacking, sampling or unpacking of cargo and including cargo handling services provided for freight in special containers or for non-containerised freight, services relating to container freight terminal, for all modes of transport and cargo handling services incidental to freight and also related to handling of export cargo and to arrange for third party warehousing services.*
7. *To carry on the business of providing facility management services by way of provision of staff and services to the management of client facilities and services. To provide housekeeping, corporate services, floor keeping, care taking and maintenance and to engage in the business of washing, cleaning, dusting,*

Date of change/ shareholders' resolution	Nature of amendment
	<p><i>brooming, polishing, vacuuming, interior decorating, shampooing, disinfecting, soap moping, waxing, perfuming, providing toilet requisites of offices, residential apartments, flats, restaurants, bars, taverns, industries, cinema houses, institutions and studios. To carry on business of processing, cleaning, securing, dusting, vacuuming, brooming, bleaching, dying, disinfecting, shampooing, perfuming, renovating and laying of carpets, under lays, articles of the floor covering, furnishing fabrics and underlay of all kind. To act as a canteen and security contractors. To provide sweeper, gardeners, labourers and plumbers.</i></p> <p>8. <i>To provide security services, to set up, and provide complete security systems to banks, individuals, commercial and government establishments including shops, departmental stores, residential houses, commercial buildings and areas. To manufacture, assemble, trade supply, import and deal in all type of alarms system, vehicles including armored vehicles, equipment, plant and machinery, spares and gadgets, which are used in setting up security systems or in providing security of all type subject to license and approval of necessary authorities. To establish, maintain and operate services, in and outside India, to banks, individual(s), commercial and government establishments including shops, departmental stores, residential houses, commercial buildings, and areas through its employees or through its sub-contractors, for providing complete security solutions including private security and safety, be it static or patrolling, executive escort and protection, event management, cyber security, investigation and invigilation services, risk analysis and crisis management, and in the matter of business activities to provide security personnel, security equipments, and advisory services and in general carry on the business of a private security agency.</i></p> <p>9. <i>To facilitate need based top level recruitment through advertisement, Recruitment Process Outsourcing (RPO), Human Resource Outsourcing (HRO), HR-BPO, and all other related activities, market research and to provide all types of services pertaining or relating to HR/Marketing Activities.”</i></p>

In addition, Part C of the Clause III of the memorandum of association was deleted in compliance with the requirements of Companies Act, 2013; Part A of Clause III of the memorandum of association was titled as ‘the objects to be pursued by the Company on its incorporation’ and substituted by clauses 1 to 9 set forth above; and Part B of Clause III of the memorandum of association was titled as ‘matters which are necessary for the furtherance of the objects specified in clause III (a).

The authorised share capital of our Company was increased from ₹ 70,000,000 divided into 7,000,000 Equity Shares to ₹ 250,000,000 divided into 25,000,000 Equity Shares.

### Total Number of shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has seven shareholders. For further details on the shareholding of our Company, see “*Capital Structure*” on page 56.

### Major events and milestones

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

Calendar Year	Events and Milestones
1993	Incorporated our Company.
2000	Established branch office in New Delhi
2002	Established branch office in Chennai
2009	Established area office in Chandigarh and branch office in Ahmedabad Commenced providing background checks and verification and payroll processing services
2010	Commenced providing compliance management services
2011	Established area offices in Guwahati and Lucknow
2013	Established area office in Cochin
2014	Established area office in Indore
2015	Established area office in Patna
2016	Commenced providing FMS
2017	Commenced sale of software and related services

## **Awards and Accreditations**

### *Certifications*

Our Company has received the following quality related certifications:

1. Our information security management system has been certified to be compliant with the requirements of ISO/IEC 27001:2013 in respect of our services of software package development, data application and storage, pursuant to a certificate issued by LMS Certification Private Limited, which is valid from September 15, 2017 until September 14, 2020.

### *Changes in activities of our Company during the last five years*

Except for initiating facilities management services by our Company in fiscal 2017, there has been no change in the activities of our Company during the last five years preceding the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

### *Capital raising (Equity/ Debt)*

Details of our equity issuances in the past and outstanding debt as on February 28, 2018, have been disclosed in “*Capital Structure*” and “*Financial Indebtedness*” on pages 56 and 197, respectively.

### *Strike and lock-outs*

We have not experienced any strike, lock-outs or labour unrest since incorporation.

### *Time/cost overrun*

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

### *Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company*

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

### *Injunctions or Restraining Order against our Company*

Our Company is not operating under any injunction or restraining order as on the date of this Draft Red Herring Prospectus.

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

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

## **Material Agreements**

As on the date of this Draft Red Herring Prospectus, we have not entered into and do not have in place any agreement amongst our shareholders or any other material agreement to which our Company is a party. Further, our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the two years preceding this Draft Red Herring Prospectus.

## **Holding Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

**Subsidiaries of our Company**

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

**Strategic and financial partnerships**

As on the date of this Draft Red Herring Prospectus, our Company does not have any strategic or financial partners.

**Guarantees provided by our Promoters**

In accordance with the terms of the working capital facilities extended to our Company, Mr. Rajendra Prasad Yadav, our Promoter and a Selling Shareholder, has extended personal guarantees in favour of the lenders. For details, see "*Financial Indebtedness*" and "*Material Contracts and Documents for Inspection*" on pages 197 and 296, respectively.

## OUR MANAGEMENT

Under the Articles of Association, our Company is authorised to have a minimum of three and a maximum of 15 Directors. As on the date of this Draft Red Herring Prospectus, we have 10 Directors on our Board, comprising four whole-time Directors, one non-executive Director and five Independent Directors. The Chairman of our Board, Mr. Rajendra Prasad Yadav, is a whole-time Director. Further, we have four women directors on our Board. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act 2013 and SEBI Listing Regulations.

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus.

Name, designation, address, occupation, nationality, term and DIN	Age (in years)	Other Directorships
<p><b>Mr. Rajendra Prasad Yadav</b></p> <p><i>Designation:</i> Chairman cum Managing Director</p> <p><i>Address:</i> Hiland Park, 6D/1, Isle Tower 1925, Chak Garia, Kolkata 700 094, West Bengal, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 00329207</p>	61	Nil
<p><b>Ms. Rashmi Yadav Korada</b></p> <p><i>Designation:</i> Whole-time Director</p> <p><i>Address:</i> 400B/2F, NSC Bose Road, Flat No. 3, Second Floor, 100, Jadavpur, Kolkata 400 047, West Bengal , India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 00085947</p>	34	Nil
<p><b>Ms. Pritika Yadav</b></p> <p><i>Designation:</i> Whole-time Director</p> <p><i>Address:</i> Hiland Park, 6D/1, Isle Tower 1925, Chak Garia, Kolkata 700 094, West Bengal, India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 02707195</p>	32	Nil
<p><b>Mr. Swapnesh Kumar</b></p> <p><i>Designation:</i> Whole-time Director</p> <p><i>Address:</i> 400B/2F, NSC Bose Road, Flat No. 3, 2nd Floor, 100, Jadavpur, Kolkata 400 047, West Bengal, India</p> <p><i>Occupation:</i> Service</p>	34	Nil

<b>Name, designation, address, occupation, nationality, term and DIN</b>	<b>Age (in years)</b>	<b>Other Directorships</b>
<p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 02547454</p>		
<p><b>Ms. Reeta Yadav</b></p> <p><i>Designation:</i> Non- executive Director</p> <p><i>Address:</i> Hiland Park, 6D/1, Isle Tower 1925, Chak Garia, Kolkata 700 094, West Bengal, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 00324435</p>	56	Nil
<p><b>Mr. Sourav Daspatnaik</b></p> <p><i>Designation:</i> Non-executive, Independent Director</p> <p><i>Address:</i> 368, Salt Lake, Sector 1, Block AE, Bidhannagar (N) Parghanas 24 Parghanas, Kolkata 700064, West Bengal, India</p> <p><i>Occupation:</i> Engineer and management consultant</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> April 1, 2018 until March 31, 2018</p> <p><i>DIN:</i> 02147356</p>	54	<p><i>Public limited companies</i></p> <ul style="list-style-type: none"> <li>• BTL EPC Limited</li> </ul> <p><i>Private limited companies</i></p> <ul style="list-style-type: none"> <li>• Nagloi Water Services Private Limited</li> </ul> <p><i>Foreign companies</i></p> <ul style="list-style-type: none"> <li>• Global Protek Pte. Ltd.</li> </ul>
<p><b>Mr. Mahesh Kumar Maheshwari</b></p> <p><i>Designation:</i> Non-executive, Independent Director</p> <p><i>Address:</i> 164/1A/2, Lake Gardens, Kolkata 700 045, West Bengal, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> September 29, 2015 until September 27, 2018</p> <p><i>DIN:</i> 07242845</p>	71	Nil
<p><b>Ms. Bijita Sarkar</b></p> <p><i>Designation:</i> Non-executive, Independent Director</p> <p><i>Address:</i> T3 5A 375, Prince Anwar Shah Road, Jodhpur Park S.O, Jodhpur Park , Kolkata 700068, West Bengal, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> April 19, 2017 until April 18, 2019</p> <p><i>DIN:</i> 07472264</p>	47	Nil

Name, designation, address, occupation, nationality, term and DIN	Age (in years)	Other Directorships
<b>Mr. Vipul Kundalia</b>	47	Nil
<i>Designation:</i> Non-executive, Independent Director		
<i>Address:</i> Flat 1D, Rameswara Apartment, 19A, Sarat Bose Road, Kolkata 700 020, West Bengal, India		
<i>Occupation:</i> Advocate		
<i>Nationality:</i> Indian		
<i>Term:</i> September 25, 2017 until September 24, 2018		
<i>DIN:</i> 07923213		
<b>Mr. Prabir Kumar Chatterjee</b>	67	Public limited companies
<i>Designation:</i> Non-executive, Independent Director		
<ul style="list-style-type: none"> <li>• Consolidated Fibres and Chemicals Limited</li> </ul>		
<i>Address:</i> Flat 3E, F Shrachi Lake Green 10A/1 Gobindapur Road, Kolkata 700 045, West Bengal, India		
<i>Occupation:</i> HR Practitioner		
<i>Nationality:</i> Indian		
<i>Term:</i> September 25, 2017 until September 24, 2018		
<i>DIN:</i> 01222895		

In compliance with Section 152 of the Companies Act 2013, not less than two-thirds of our non-independent Directors are liable to retire by rotation.

#### Relationship between Directors

(i) Mr. Rajendra Prasad Yadav and Ms. Reeta Yadav are related to each other as husband and wife, respectively; (ii) Ms. Rashmi Yadav Korada and Ms. Pritika Yadav are sisters and the daughters of Mr. Rajendra Prasad Yadav and Ms. Reeta Yadav; (iii) Ms. Rashmi Yadav Korada and Mr. Swapnesh Kumar are husband and wife, respectively; and (iv) Mr. Swapnesh Kumar is the son-in-law of Mr. Rajendra Prasad Yadav and Ms. Reeta Yadav and the brother-in-law of Ms. Pritika Yadav.

None of our other Directors are related to each other.

#### Brief profiles of our Directors

**Mr. Rajendra Prasad Yadav**, aged 61 years, is the Chairman cum Managing Director of our Company. He holds a bachelor's degree in science and a master's degree in business administration from University of Calcutta. He has previously been associated with Johnson and Johnson Limited, Jay Engineering Works Limited, HCL Limited and Business Forms Limited. He is also the promoter of our Company and has been associated with our Company since its incorporation. He won the lifetime achievement award at the Global HR Excellence Awards and received the Bengal Entrepreneurship Recognition 2015 from the Bengal Chamber of Commerce and Industry, in 2015.

**Ms. Rashmi Yadav Korada**, aged 34 years, is a Whole-time Director and the vice president (background checks and verification) in our Company. She holds a bachelor's degree in arts from University of Calcutta and a master's degree in business administration from The ICFAI University, Dehradun. She has been on our Board since Board on April 14, 2006.

**Ms. Pritika Yadav**, aged 32 years, is a Whole-time Director and the vice president (permanent staffing solutions, flexi staffing solutions (recruitment, IT recruitment and IT staffing) in our Company. She holds a bachelor's degree in commerce from the University of Calcutta and a master's degree in business administration from the ICFAI University, Dehradun. She has been on our Board since August 11, 2009.

**Mr. Swapnesh Kumar**, aged 34 years, is a Whole-time Director and the vice president (payroll processing solutions, compliance management and business development (Kolkata)) in our Company. He holds a bachelor's degree in engineering (computer science and engineering) from College of Engineering, Bhubaneswar (Biju Patnaik University of Technology, Rourkela) and a master's degree in business administration from the ICFAI University, Dehradun. He has been on our Board since April 1, 2015.

**Ms. Reeta Yadav**, aged 56 years, is a non-executive Director of our Company. She has completed her senior secondary education from Seth Suraj Mill Jalan Balika Vidhyalaya, Kolkata. She is also our Promoter and has been associated with our Company since incorporation.

**Mr. Sourav Daspatnaik**, aged 54 years, is an Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from Birla Institute of Technology and a master's of science degree in management from Stevens Institute of Technology, New Jersey, USA. He has been associated with Tata Iron and Steel Company, Mercer Human Resource Consulting Private Limited and Apeejay Surendra Corporate Services Private Limited. He was appointed on our Board on April 1, 2015.

**Mahesh Kumar Maheshwari**, aged 71 years, is an Independent Director of our Company. He holds a bachelor's degree in arts from University of Agra and a master's degree in social work from University of Agra. He has been associated with Jenson & Nicholson, Usha Sewing Machine Works and India Foils Limited. He was appointed on our Board on September 28, 2015.

**Ms. Bijita Sarkar**, aged 47 years, is an Independent Director of our Company. She holds a bachelor's degree in science from University of Calcutta, a master's degree in arts from Jawaharlal Nehru University, New Delhi and a post graduate diploma in business management form Indian Institute of Management, Kolkata. She has been previously associated with Axis Bank. She was appointed on our Board on April 19, 2016.

**Mr. Vipul Kundalia**, aged 47 years, is an Independent Director of our Company. He holds a bachelor's degree in law from National Law School of India, Bangalore and is an advocate. He was appointed on our Board on September 25, 2017.

**Mr. Prabir Kumar Chatterjee**, aged 67 years, is an Independent Director of our Company. He holds a bachelor's degree in arts, a diploma in social work (labour welfare) and a master's degree in arts from University of Calcutta. He has been associated with Hindustan Unilever Limited, Duncan Industries Limited and Birla Corporation Limited. He was on the Board of IAG Company Limited and Gujarat Carbon and Industries Limited. He was appointed on our Board on September 25, 2017.

#### **Terms of Appointment of our Whole-time Directors**

**Mr. Rajendra Prasad Yadav** was last re-appointed as the Chairman and Managing Director of our Company pursuant to resolutions passed by our Board and shareholders on August 11, 2016 and September 28, 2016, respectively. Pursuant to the resolutions dated January 24, 2017 and March 8, 2017 of our Board and shareholders, respectively, he is entitled to remuneration as set out below until September 30, 2019, subject to the overall limit set under Sections 197 and 198 of the Companies Act 2013.

<b>Terms of Remuneration</b>	<b>Details</b>
Basic Salary	₹ 0.75 million per month
Contributions to PF and gratuity fund	As per rules of the Company
Perquisites	As decided by our Board in its absolute discretion within the limits prescribed under Schedule V of the Companies Act 2013

Mr. Rajendra Prasad Yadav will not be entitled to any sitting fees. His appointment may be terminated by him or our Company by giving a written notice in advance of six months.

**Ms. Rashmi Yadav Korada**, was last re-appointed as a whole-time Director of our Company pursuant to resolutions passed by our Board and shareholders on August 11, 2016 and September 28, 2016, respectively. The terms of her appointment are set forth below, subject to the overall limit set under Sections 197 and 198 of the Companies Act 2013.

<b>Terms of Remuneration</b>	<b>Details</b>
Basic Salary	₹ 0.15 million per month for fiscal 2018

Terms of Remuneration	Details
	₹ 0.17 million per month for fiscal 2019
Contributions to PF and gratuity fund	As per rules of the Company
Perquisites	As decided by our Board in its absolute discretion within the limits prescribed under Schedule V of the Companies Act 2013

Ms. Rashmi Yadav Korada will not be entitled to any sitting fees. Her appointment may be terminated by her or our Company by giving a written notice in advance of six months.

**Ms. Pritika Yadav** was last re-appointed as whole-time Director of our Company pursuant to resolutions passed by our Board and shareholders on March 16, 2018. Pursuant to such resolutions, she is entitled to remuneration as set out below until March 31, 2019, subject to the overall limit set under Sections 197 and 198 of the Companies Act 2013.

Terms of Remuneration	Details
Basic Salary	₹ 0.13 million
Contributions to PF and gratuity fund	As per rules of the Company
Perquisites	As decided by our Board in its absolute discretion within the limits prescribed under Schedule V of the Companies Act 2013

**Mr. Swapnesh Kumar** was last re-appointed as whole-time Director of our Company pursuant to resolutions passed by the Board and shareholders of our Company on March 16, 2018. Pursuant to such resolutions, he is entitled to remuneration as set out below until March 31, 2019, subject to the overall limit set under Sections 197 and 198 of the Companies Act 2013.

Terms of Remuneration	Details
Basic Salary	₹ 0.16 million
Commission	As per rules of the Company
Perquisites	As decided by our Board in its absolute discretion within the limits prescribed under Schedule V of the Companies Act 2013

#### **Compensation paid to our Whole-time Directors**

The gross remuneration received by our whole-time Directors in fiscal 2017 is as follows:

Name of Director	Gross remuneration
Mr. Rajendra Prasad Yadav	4.20
Ms. Reeta Yadav*	2.20
Ms. Rashmi Yadav Korada	1.42
Ms. Pritika Yadav	1.21
Mr. Swapnesh Kumar	1.49

\*Ms. Reeta Yadav ceased to be whole-time Director and has been re-designated as a non-executive Director with effect from March 1, 2017, pursuant to a resolution of our Board dated January 24, 2017.

#### **Compensation paid to our non-executive and Independent Directors**

Pursuant to a resolution dated January 4, 2018 of our Board, our non-executive and Independent Directors are entitled to receive a sitting fee of ₹ 10,000 for attending each meeting of our Board. Our non-executive and independent Directors are also entitled to reimbursement of all travelling, hotel and other incidental expenses incurred by them in the performance of their duties in accordance with the Companies Act.

The gross remunerations received by our non-executive, independent Directors in fiscal 2017 are as follows.

<b>Name of Director</b>	<b>Gross remuneration</b>
Mr. Sourav Daspatnaik	50,000
Mr. Mahesh Kumar Maheshwari	50,000
Ms. Bijita Sarkar	50,000
Mr. Vipul Kundalia <sup>#</sup>	Nil
Mr. Prabir Kumar Chatterjee <sup>#</sup>	Nil
Ms. Reeta Yadav <sup>*</sup>	Nil

*\*Ms. Reeta Yadav ceased to be whole-time Director and has been re-designated as a non-executive Director with effect from March 1, 2017, pursuant to a resolution of our Board dated January 24, 2017.*

*<sup>#</sup>Mr. Prabir Kumar Chatterjee and Mr. Vipul Kundalia were appointed on September 25, 2017 and hence were not paid sitting fees for Fiscal 2017.*

### **Loans to Directors**

No loans have been availed by the Directors from our Company.

None of our Directors are related to the sundry debtors of our Company.

### **Bonus or profit sharing plan for the Directors**

Our Company does not have a bonus or profit sharing plan for our Directors.

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

Our Articles of Association do not require the Directors to hold any qualification shares. For further details regarding the shareholding of our Directors, see “*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*” on page 64.

### **Service contracts with Directors**

There are no service contracts entered into with any Directors, which provide for benefits upon termination of employment

### **Interest of Directors**

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board, as well as to the extent of the remuneration and reimbursement of expenses, if any, payable to them. For details, see “*Terms of Appointment of our Whole-time Directors*” and “*Compensation paid to our non-executive and Independent Directors*” above.

Our Directors may also be interested to the extent of Equity Shares and to the extent of any dividend payable to them, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer. For further details regarding the shareholding of our Directors, see “*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*” on page 64.

In addition, we have entered into a lease agreement with Mr. Rajendra Prasad Yadav for lease of certain property situated at Kolkata, West Bengal. None of our Directors are interested in any property acquired or leased by our Company within two years of the date of this Draft Red Herring Prospectus, or presently intended to be acquired by it. For details of the lease agreement with Mr. Rajendra Prasad Yadav, see “*Promoter, Promoter Group and Group Companies – Interests of our Promoters*” on page 143.

Additionally, Mr. Rajendra Prasad Yadav is a trustee on the board of trustees of (i) the Genius Foundation, which is responsible for undertaking CSR activities for the Company and accordingly, our CSR expenses are paid to the Genius Foundation; (ii) the Genius Consultants Employees Provident Fund, our PF Trust; and (iii) the Genius Consultants Ltd. Employees’ Group Gratuity Fund, our Gratuity Trust. Ms. Rashmi Yadav Korada is also a trustee on the board of trustees of our PF Trust and Ms. Pritika Yadav is a trustee on the board of trustees of our Gratuity Trust. For details of our employee benefits expenses and CSR, see “*Restated Financial Statements – Annexure 23 – Employee Benefits Expense*” and “*Restated Financial Statements – Annexure 26 – Other Expenses*” on pages 172 and 173, respectively.

Further, except Mr. Rajendra Prasad Yadav and Ms. Reeta Yadav, who are Promoters of our Company, none of our other Directors are interested in the promotion of our Company as on the date of this Draft Red Herring Prospectus. Further, Ms. Rashmi Yadav Korada and Ms. Pritika Yadav form part of our Promoter Group.

#### *Appointment of relatives to a place of profit*

No relative of the Directors have been appointed to an office or place of profit in our Company.

#### **Confirmations**

Our Directors are not, and during the five years prior to the date of this Draft Red Herring Prospectus, have not been on the board of any listed company whose shares have been/were suspended from being traded on BSE or NSE.

Except Mr. Prabir Kumar Chatterjee who was a director on the board of directors of Consolidated Fibres and Chemicals Limited, which was delisted from BSE in February 22, 2008 and the details of which are set forth below, none of our Directors has been or is a director on the board of any listed companies which is or has been delisted from any stock exchange.

S. No.	Particulars	Details
1.	Name of the company	Consolidated Fibres and Chemicals Limited
2.	Name of the stock exchange(s) on which the company was listed	BSE Limited
3.	Date of delisting on stock exchanges	February 22, 2008
4.	Whether delisting was compulsory or voluntary	Compulsory
5.	Reasons for delisting	Winding up
6.	Whether the company has been relisted	No
7.	Date of relisting	Not applicable
8.	Term of directorship in the company	January 31, 2007 until date

#### **Changes in our Board during the last three years**

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name of Director	Date of Change	Reasons
Mr. Sourav Daspatnaik	April 1, 2015	Appointment as Independent Director
Mr. Swapnesh Kumar	April 1, 2015	Appointment as whole-time Director
Mr. Mahesh Kumar Maheshwari	September 28, 2015	Appointment as Independent Director
Ms. Bijita Sarkar	April 19, 2016	Appointment as Independent Director
Ms. Reeta Yadav	March 1, 2017	Change in designation to non-executive director
Mr. Prabir Kumar Chakravarty	September 25, 2017	Appointment as Independent Director
Mr. Vipul Kundalia	September 25, 2017	Appointment as Independent Director
Mr. Sourav Daspatnaik	April 1, 2018	Re-appointment as an Independent Director

#### **Borrowing Powers**

Pursuant to our Articles of Association, subject to applicable laws and pursuant to the Board resolution dated September 3, 2015 and the special resolution passed by our shareholders on September 28, 2015, our Board has been authorised to borrow sums of money with or without security, which, together with the monies borrowed by our Company (excluding temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) shall not exceed the amount of ₹ 500 million over and above the aggregate of the paid-up share capital and free reserves of our Company.

#### **Corporate Governance**

As on the date of this Draft Red Herring Prospectus, there are 10 Directors on our Board, comprising four whole-time Directors, one non-executive Director and five Independent Directors. The chairman of our Board, Mr. Rajendra Prasad Yadav, is our Promoter and a whole-time Director. Further, we have four women directors on our Board. Our Board functions either as a full board or through various committees constituted to oversee specific

functions. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act 2013 in relation to the composition of our Board and constitution of committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act 2013.

### **Board committees**

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act 2013:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders' Relationship Committee; and
- (d) Corporate Social Responsibility Committee

#### ***Audit Committee***

Our Audit Committee was constituted by a resolution of the Board dated August 11, 2016 and was last reconstituted on January 4, 2018. Our Audit Committee is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

- 1. Ms. Bijita Sarakar – Independent Director (*Chairman*);
- 2. Mr. Rajendra Prasad Yadav – Chairman and Managing Director (*Member*); and
- 3. Mr. Sourav Daspatnaik –Independent Director (*Member*).

The Company Secretary or their nominee shall act as the Secretary of the Audit Committee.

The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. The committee shall meet at least four times in a year.

*Scope and terms of reference:* The terms and reference made by the Board of Directors of the Company are as set forth below:

The Audit Committee shall have the powers, including the following:

- (a) To investigate any activity within its terms of reference;
- (b) To seek information from any employee;
- (c) To obtain outside legal or other professional advice; and
- (d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the audit committee shall include the following:

- 1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s) in the draft audit report;

- 5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- 7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) approval or any subsequent modification of transactions of the listed entity with related parties;
- 9) scrutiny of inter-corporate loans and investments;
- 10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- 11) evaluation of internal financial controls and risk management systems;
- 12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) discussion with internal auditors of any significant findings and follow up there on;
- 15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) to review the functioning of the whistle blower mechanism;
- 19) to oversee the vigil mechanism established by our Company, with the chairman of the Auditor Committee directly hearing the grievances of victimization of the employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- 20) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate; and
- 21) carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee shall mandatorily review the following information:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses; and
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- 6) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### ***Nomination and Remuneration Committee***

Our Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board on August 11, 2016 and was last reconstituted on January 4, 2018. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

1. Mr. Sourav Daspatnaik –Independent Director (*Chairman*);
2. Ms. Bijita Sarkar –Independent Director (*Member*); and
3. Mr. Mahesh Kumar Maheshawari –Independent Director (*Member*).

The quorum necessary for the transaction of business shall be two members.

*Scope and terms of reference:*

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3) devising a policy on diversity of board of directors;
- 4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### ***Stakeholders' Relationship Committee***

Our Stakeholders' Relationship Committee was constituted by a resolution of our Board dated January 4, 2018 in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises:

1. Mr. Vipul Kundalia – Independent Director (*Chairperson*);
2. Mr. Swapnesh Kumar – Whole-time Director (*Member*); and
3. Ms. Rashmi Yadav Korada – Whole-time Director (*Member*).

*Scope and terms of reference:* The terms of reference of the Stakeholders Relationship Committee are as follows:

- 1) Considering and resolving grievances of shareholders, debenture holders and other security holders;
- 2) Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;
- 3) Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- 4) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
- 5) Carrying out any other functions required to be undertaken by the Stakeholders Relationship Committee under applicable law.

#### ***Corporate Social Responsibility Committee***

Our Corporate Social Responsibility Committee was constituted by a resolution of the Board dated January 25, 2016 and its composition and terms of reference are in compliance with Section 135 of the Companies Act 2013. The Corporate Social Responsibility Committee currently comprises:

1. Mr. Swapnesh Kumar – Whole-time Director (*Chairman*);
2. Mr. Prabir Kumar Chatterjee –Independent Director (*Member*)
3. Mr. Rajendra Prasad Yadav – Chairman and Managing Director (*Member*); and
4. Mr. Mahesh Kumar Maheshwari –Independent Director (*Member*).

*Scope and terms of reference:* The terms and reference of the Corporate Social Responsibility Committee are as follows:

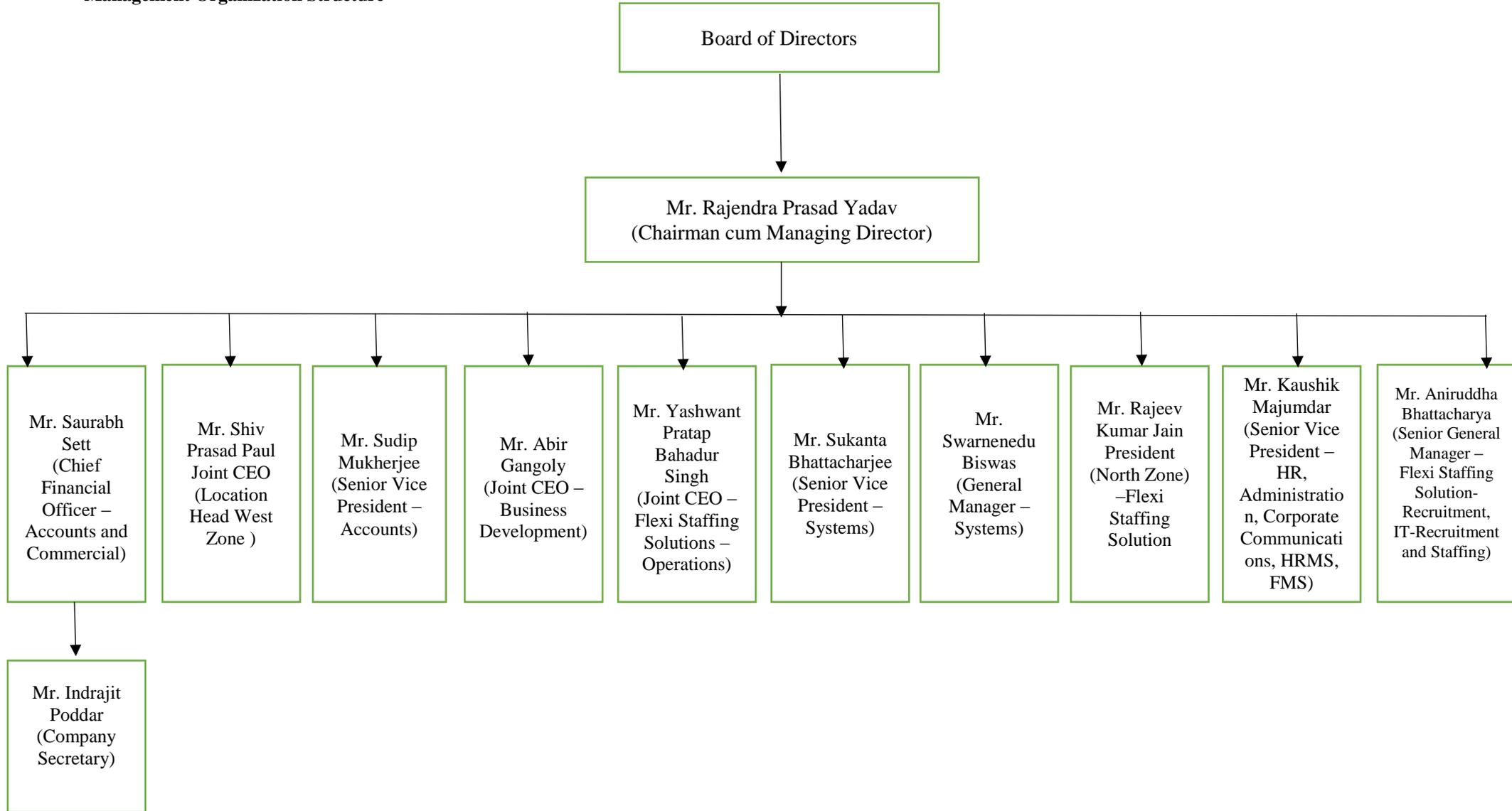
- a. To formulate and recommend to the Board, a corporate social responsibility policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013 and make any revisions therein as and when decided by the Board;
- b. Recommend the amount of expenditure to be incurred on the activities referred to under (a);
- c. Monitor compliance with the corporate social responsibility policies from time to time; and
- d. To do such other acts, deeds and things as may be required to comply with applicable laws.

### ***IPO Committee***

Our IPO Committee was constituted by a resolution of the Board dated January 4, 2018. The IPO Committee has been authorised to approve and decide upon all activities in connection with the Offer, including, but not limited to, approving the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, deciding the terms and conditions of the Offer, including the Price Band and the Offer Price, appointing various intermediaries, negotiating and executing the Offer related agreements and to submit applications and documents to relevant statutory authority and other authorities from time to time. The IPO Committee currently comprises:

1. Mr. Rajendra Prasad Yadav – Chairman and Managing Director (*Member*);
2. Ms. Pritika Yadav – Whole-time Director (*Member*); and
3. Ms. Bijita Sarkar – Independent Director (*Member*)

## Management Organization Structure



## Key Managerial Personnel

In addition to our whole-time Directors, each of whose details are provided in “– *Brief Profiles of our Directors*” above, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below.

**Mr. Saurabh Sett**, aged 46 years, is our Chief Financial Officer (Accounts and Commercial). He holds a bachelor’s degree in commerce from University of Calcutta. He received a gross remuneration of ₹ 2.35 million in fiscal 2017.

**Mr. Shiv Prasad Paul**, aged 49 years, is our Joint Chief Executive Officer (Location Head – West Zone). He holds a bachelor’s degree in commerce from University of Calcutta and a Post-graduate diploma in business management from Indian Institute of Social Welfare and Business Management. He has previously been associated with Nu Vista Letherette Private Limited, Wonderfood Corporation, Sterling Holiday Resorts (India) Limited and Placegate Marketing Private Limited. He received a gross remuneration of ₹ 2.95 million in fiscal 2017.

**Mr. Sudip Mukherjee**, aged 43 years, is our Senior Vice President (Accounts). He holds a bachelor’s degree in commerce from University of Calcutta. He has previously been associated with Supertron Electronic Private Limited. He received a gross remuneration of ₹ 2.09 million in fiscal 2017.

**Mr. Abir Gangoly**, aged 46 years, is our Joint Chief Executive Officer (Business Development). He holds a bachelor’s degree in technology from Indian institute of Technology, Kharagpur and a master’s degree in Business administration from University of Calcutta. He has previously been associated with Engineering Services International. He received a gross remuneration of ₹ 2.69 million in fiscal 2017.

**Mr. Yashwant Pratap Bahadur Singh**, aged 47 years, is our Joint Chief Executive Officer (Flexi Staffing Solutions - Operations). He holds a bachelor’s degree in science from University of Calcutta and a post graduate diploma in environment management form Indian Institute of Social Welfare and Business Management. He has previously been associated with Wacker Metroarc Chemicals Limited. He received a gross remuneration of ₹ 2.63 million in fiscal 2017.

**Mr. Sukanta Bhattacharjee**, aged 40 years, is our Senior Vice President (Systems). He holds a bachelor’s degree in science from University of Calcutta. He has previously been associated with Prime on-line Private Limited. He received a gross remuneration of ₹ 1.94 million in fiscal 2017.

**Mr. Swarnenedu Biswas**, aged 42 years, is our General Manager (Systems). He holds a bachelor’s degree in arts from University of Calcutta. He received a gross remuneration of ₹ 1.42 million in fiscal 2017.

**Mr. Rajeev Kumar Jain**, aged 45 years, is our President (North Zone – Flexi Staffing Solutions). He holds a bachelor’s degree in mechanical engineering from N. Polytechnic, Meerut. He has previously been associated with Dantal Hydraulics Private Limited. He received a gross remuneration of ₹ 2.56 million in fiscal 2017.

**Mr. Kaushik Mazumdar**, aged 46 years, is our Senior Vice President (HR, Administration, Legal, Corporate Communications, HRMS and FMS). He holds a bachelor’s degree in science from Pt. Ravishankar Shukla University, Raipur and a master’s degree in Industrial Relations and Personnel Management from University of Calcutta. He has previously been associated with Otto India Private Limited. He received a gross remuneration of ₹ 1.96 million in fiscal 2017.

**Mr. Aniruddha Bhattacharya**, aged 38 years, is our Senior General Manager (Flexi Staffing Solutions – Recruitment, IT – Recruitment and Staffing). He holds a bachelor’s degree in veterinary sciences from Indian Council of Alternative Medicine. He has previously been associated with Synthesis Placements and Consultants. He received a gross remuneration of ₹ 1.39 million in fiscal 2017.

**Mr. Indrajit Poddar**, aged 26 years, is our company secretary. He holds a bachelor’s degree in commerce from University of Calcutta and a master’s degree in commerce from University of Calcutta. He is an associate with the Institute of Company Secretaries of India. He received a gross remuneration of ₹ 0.23 million in fiscal 2017.

All the Key Managerial Personnel are permanent employees of our Company.

### **Relationship among Key Managerial Personnel**

Except as disclosed under “- *Relationship between our Directors*” above, none of our Key Managerial Personnel are related to each other or to any other Director.

### **Bonus or profit sharing plan for the Key Managerial Personnel**

There is no profit sharing plan for the Key Management Personnel. Our Company makes bonus payments, which is in accordance with their terms of appointment.

### **Shareholding of Key Managerial Personnel**

For details of the shareholding of our Key Managerial Personnel, see “*Capital Structure – Shareholding of our Directors and Key Managerial Personnel*” on page 64.

### **Service Contracts with Key Managerial Personnel**

Our Key Managerial Personnel have not entered into any service contracts with our Company.

### **Loans to and deposits from Key Managerial Personnel**

Except as set forth below, our Company has not advanced any loans and/or deposits to the Key Managerial personnel nor has the Company taken any loan and or deposit from the Key Managerial Personnel.

### **Interest of Key Managerial Personnel**

Our Key Managerial Personnel are interested in our Company to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, held by them.

Additionally, Mr. Saurabh Sett is a trustee on the board of trustees of (i) the Genius Foundation; (ii) our PF Trust; and (iii) our Gratuity Trust. Further, Mr. Abir Gangoly is a trustee on the board of trustees of our PF Trust.

Further, for details of interests of Mr. Rajendra Prasad Yadav, who is also our Promoter and Chairman and Managing Director and Ms. Rashmi Yadav Korada, Ms. Pritika Yadav and Mr. Swapnesh Kumar, who are our whole-time Director, see “*Our Promoters, Promoter Group and Group Companies – Interests of our Promoters and Related Party Transactions*” on 143 and “- *Interest of our Directors*” above.

### **Arrangement or understanding with major shareholders**

None of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others

### **Changes in Key Managerial Personnel during the last three years**

The changes in our Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

<b>Name</b>	<b>Date</b>	<b>Reason</b>
Mr. Aditya Sharma	September 4, 2015	Appointment of company secretary
Mr. Aditya Sharma	April 19, 2016	Cessation as company secretary
Mr. Indrajit Poddar	April 19, 2016	Appointment of Company Secretary
Mr. Saurabh Sett	September 15, 2017	Appointment of Chief Financial Officer

For details of changes in our whole-time Directors, see “- *Changes in our Board of Directors in the last three years*” above.

**Employee stock option and stock purchase schemes**

As on the date of this Draft Red Herring Prospectus, our Company does not have in place any employee stock option scheme.

**Payment of non-salary related benefits to officers of our Company**

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

## OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

The Promoters of our Company are Mr. Rajendra Prasad Yadav and Ms. Reeta Yadav. As on the date of this Draft Red Herring Prospectus, our Promoters hold, in the aggregate 18,075,550 Equity Shares, which constitutes 99.80% of our Company's pre-offer paid-up equity share capital. For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure – Build-up of Promoters' shareholding in our Company*" on page 58.

### I. Details of our Promoters



Mr. Rajendra Prasad Yadav, aged 61 years, is our Chairman and Managing Director and one of our Promoters.

*Residential Address:* Hiland Park, 6D/1, Isle Tower 1925, Chak Garia, Kolkata 700 094, West Bengal, India

*Driver's license number:* WB-2019830073721

*Voter identification number:* SCG1873165

For a brief profile of Rajendra Prasad Yadav, see "*Our Management – Brief Profiles of our Directors*" on page 130.



Ms. Reeta Yadav, aged 56 years, is a non-executive Director on our Board and one of our Promoters.

*Residential Address:* Hiland Park, 6D/1, Isle Tower 1925, Chak Garia, Kolkata 700 094, West Bengal, India

*Driver's license number:* N.A.

*Voter identification number:* SCG1873173

For a brief profile of Reeta Yadav, see "*Our Management – Brief Profiles of our Directors*" on page 130.

We confirm that the PAN, passport number and bank account numbers of our Promoters will be submitted to the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus with them.

### Interests of our Promoters and Related Party Transactions

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholdings in our Company and dividend or other distributions payable, if any, by our Company in relation thereto. For further details of our Promoters' shareholding, see "*Capital Structure – Notes to Capital Structure*" on page 56. Additionally, Mr. Rajendra Prasad Yadav is also interested in our Company as our Chairman and Managing Director and as a Key Managerial Personnel and Ms. Reeta Yadav is interested in our Company as a non-executive and to the extent of any remuneration payable to them in such capacity, respectively. For details, see "*Our Management – Terms of Appointment of Whole-time Directors*", "*Our Management – Key Managerial Personnel*" and "*Our Management- Compensation paid to our non-executive and independent directors*" on pages 131, 140 and 132, respectively.

Our Promoters are not interested as members of any firm or any company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Except as disclosed below, our Promoters do not have any interest in any property acquired by our Company during the two years immediately preceding the date of this Draft Red Herring Prospectus or any property proposed to be acquired by our Company or in any transaction including the acquisition of land, construction of building or supply of machinery. Our Company has entered into a lease agreement dated August 1, 2015 with Mr. Rajendra Prasad Yadav, for a period of three years in relation to premises situated at 1st floor, Rishi Tech Park,

360, New Town, Kolkata, West Bengal, India admeasuring 1,806 square feet. Pursuant to the terms of the lease deed our Company is required to pay a monthly rent of ₹ 89, 270 during the term of the lease.

Additionally, Mr. Rajendra Prasad Yadav is a trustee on the board of trustees of Genius Foundation, our PF Trust and our Gratuity Trust.

For further details of the interest of our Promoters, see “*Our Management – Interest of Directors*” on page 133.

#### *Related Party Transactions*

For details of related party transactions entered into by our Company, see “*Financial Statements – Annexure 34 – Related Party Transactions and Balances*” on page 175.

#### **Payment of Benefits and Guarantees**

Except as set forth in “*Financial Statements - Related Party Transactions*” no amount or benefit has been paid or given within the two financial years immediately preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Promoters or Promoter Group in the two years preceding the date of this Draft Red Herring Prospectus.

#### **Confirmations**

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

As on the date of this Draft Red Herring Prospectus, none of our sundry debtors are related to our Promoters. Further, none of our Promoters are related to any beneficiary of loans and advances provided by our Company.

Our Promoters, their respective relatives and other members of the Promoter Group have not been declared as wilful defaulters as defined under the SEBI ICDR Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters as on the date of this Draft red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reason. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing capital markets under any order or direction made by SEBI or any other authority.

#### **Common Pursuits of our Promoters, members of the Promoter Group and Group Companies**

Our Promoters, the members of the Promoter Group and the Group Companies are not involved with any venture which is in the same line of activity or business as us.

#### **Disassociation by our Promoters in the preceding three years**

There has been no disassociation by our Promoters from any venture during the three years immediately preceding the date of this Draft Red Herring Prospectus.

## **II. Promoter Group**

Set forth below are details of our Promoter Group.

<b>S. No.</b>	<b>Name of member of the Promoter Group</b>
<b>Rajendra Prasad Yadav and Reeta Yadav</b>	
1.	Rahsmi Yadav korada (daughter)
2.	Pritika Yadav (daughter)
3.	Seeta Pal (Sister of Reeta Yadav)
4.	Geeta Shaw (Sister of Reeta Yadav)

### **Shareholding and other confirmation of our Promoter Group**

For details of the shareholding of the members of our Promoter Group in our Company and various confirmations in relation to the members of our Promoter Group, see “*Capital Structure – Shareholding of our Promoters and our Promoter Group*” and “*Other Regulatory and Statutory Disclosures*” on pages 60 and 206, respectively and “*-Confirmations*” above.

### **III. Group Companies**

As per the SEBI ICDR Regulations for the purpose of identification of group companies, our Company has considered companies covered under the applicable accounting standard, i.e., Accounting Standard 18 issued by the ICAI (“**AS 18**”) as per the Restated Financial Statements for the fiscals 2017, 2016, 2015, 2014 and 2013 and the nine months ended December 31, 2017 and other companies as per the Materiality Policy adopted by our Board through its resolution dated January 4, 2018, for the purpose of disclosure in connection with the Offer. Accordingly, a company shall be considered material and disclosed as a Group Company if it:

- (i) is a member of the Promoter Group and has entered into one or more transactions with our Company in the most recent audited fiscal which, individually or in the aggregate, exceed 10% of the total revenue of our Company for such fiscal; and
- (ii) companies which, subsequent to the date of the last audited restated financial statements of the Company disclosed in the Offer Documents, would require disclosure in the financial statements of the Company for subsequent periods as entities covered under the applicable accounting standard in addition to/ other than those companies covered under the applicable accounting standard in the latest audited and restated financial statements of the Company included in the Offer Documents

In terms of the Materiality Policy, our Company has no group companies.

## DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board and approved by our shareholders at their discretion, subject to the provisions of our Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial condition of our Company. In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under the loan or financing documents we may enter into from time to time. For more information on restrictive covenants under our loan agreements, see “*Financial Indebtedness*” on page 197. As on the date of this Draft Red Herring Prospectus, our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends.

The dividends declared by our Company on the Equity Shares during fiscals 2017, 2016, 2015, 2014 and 2013 are set forth below:

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
Face value per Equity Share (₹)	10.00	10.00	10.00	10.00	10.00
Dividend (₹ in million)	18.11	9.06	5.18	5.18	3.11
Dividend (in ₹ per Equity Share)	1.0	1.5	1.5	1.5	1.5
Equity Share Capital (₹ in million)	181.13	60.38	34.50	34.50	20.70
Rate of dividend (%)	10.00	15.00	15.00	15.00	15.00

However, our dividend history is not necessarily indicative of our dividend payments, if any, or our dividend policy, in the future. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

**SECTION V – FINANCIAL INFORMATION**  
**FINANCIAL STATEMENTS**

To  
The Board of Directors  
Genius Consultants Limited  
Synthesis Business Park Tower  
1C, 1st Floor, CBD/1,  
Action Area - II, New Town,  
Kolkata - 700 157

**Auditors' Report on Restated Financial Information in connection with proposed Initial Public Offer of Equity Shares of Genius Consultants Limited (the "Company")**

Dear Sirs,

- 1) We have examined the attached Restated Financial Information of Genius Consultants Limited, which comprise the Restated Summary Statement of Assets and Liabilities as at 31 December 2017, 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the nine months period ended 31 December 2017 and each of the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 and the Statement of Notes to Restated Financial Information (collectively the "**Restated Financial Information**") as approved by the Board of Directors at their meeting held on 16 March 2018, for the purpose of inclusion in the Draft Red Herring Prospectus ("the offer document") prepared by the Company in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and
  - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations").
- 2) The preparation of the Restated Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 10 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations.
- 3) We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 21 February 2018 in connection with the proposed issue of equity shares of the Company; and
  - b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI").
- 4) These Restated Financial Information have been compiled by the management from:
  - a) The Audited Financial Statements as at and for the period ended 31 December 2017 prepared in accordance with accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on 16 March 2018 and audited by us;

- b) the Audited Financial Statements as at and for the year ended 31 March 2017, 31 March 2016 and 31 March 2015, prepared in accordance with accounting principles generally accepted in India which have been approved by Board of Directors at their meetings held on 15 September 2017, 11 August 2016 and 03 September 2015 respectively; and
- c) the Audited Financial Statements as at and for the year ended 31 March 2014 and 31 March 2013 prepared in accordance with accounting principles generally accepted in India which have been approved by Board of Directors at their meetings held on 28 August 2014 and 28 August 2013 respectively.

Audit for the financial years ended 31 March 2017, 2016 and 2015 was conducted by the previous auditors SSKA & Associates and for the financial years ended 31 March 2014 and 2013 was conducted by VKR & Associates. Accordingly, reliance has been placed on the financial information examined by them for the said years. The financial report included for these years, i.e. 31 March 2017, 2016, 2015, 2014 and 2013 are based solely on the report submitted by SSKA & Associates for the aforesaid financial years respectively. SSKA & Associates have also confirmed that the restated financial information:

- a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
  - b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
  - c) do not contain any extraordinary items that need to be disclosed separately in the Restated Financial Information and do not contain any qualification requiring adjustments.
- 5) We have also examined the financial information of the Company for the period 1 April 2017 to 31 December 2017, prepared and approved by the Board of Directors on 16 March 2018 for the purpose of disclosure in the offer document of the Company.

Based on the above, we report that in our opinion and according to the information and explanations given to us, the above interim financial information is in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable and the interim financial information are presented with the Restated Financial Information appropriately.

- 6) In accordance with the provisions and for complying the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note, we report that:
- a) The Restated Summary Statement of Assets and Liabilities of the Company as at 31 December 2017, 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 examined by us, as set out in Annexure 1 to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4: Impact of restatement adjustments.
  - b) The Restated Summary Statement of Profit and Loss of the Company, for the nine month period ended 31 December 2017 and for the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 examined by us, as set out in Annexure 2 to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4: Impact of restatement adjustments.

- c) The Restated Summary Statement of Cash Flows of the Company, for the nine month period ended 31 December 2017 and for the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 examined by us, as set out in Annexure 3 to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 6: Impact of restatement adjustments.
  - d) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the previous auditor, SSKA & Associates for the respective years, we further report that the Restated Financial Information:
    - (i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
    - (ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
    - (iii) do not contain any extraordinary items that need to be disclosed separately in the Restated Financial Information and do not contain any qualification requiring adjustments.
- 7) We have also examined the following restated financial information of the Company set out in the Annexures prepared by the management and approved by the Board of Directors for the nine-month period ended 31 December 2017 and years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013. In respect of the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013, these information have been included based upon the reports submitted by the previous auditor, SSKA & Associates and VKR & Associates, and relied upon by us:
- a) Annexure 35: Summary Statement of Capitalization;
  - b) Annexure 36: Summary Statement of Tax Shelter;
  - c) Annexure 37: Statement of Accounting Ratios; and
  - d) Annexure 38: Statement of Dividend

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditor, SSKA & Associates, in our opinion, the Restated Financial Information and the above restated financial information contained in Annexures 35 to 38 accompanying this report, read with Statement of Notes to Restated Financial Information disclosed in Annexure 4, are prepared after making adjustments and reclassifications/regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and the Guidance Note.

- 8) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the audited financial statements referred to herein.
- 9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 10) Our report is intended solely for use of the management for inclusion in the Draft Red Herring Prospectus to be filed with Securities and Exchange Board of India, the stock exchanges where the

equity shares are proposed to be listed and Registrar of Companies, West Bengal in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

per **Anamitra Das**  
Partner  
Membership Number: 062191

**Place:** Gurugram  
**Date:** 16 March 2018

GENIUS CONSULTANTS LIMITED  
RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Annexure 1

(Amount in ₹ millions)

Particulars	Annexure	As at					
		31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Equity and liabilities</b>							
<b>Shareholders' funds</b>							
Share capital	Annexure 5	181.13	181.13	60.38	34.50	34.50	20.70
Reserves and surplus	Annexure 6	449.32	376.66	301.39	227.23	150.91	104.29
		<b>630.45</b>	<b>557.79</b>	<b>361.77</b>	<b>261.73</b>	<b>185.41</b>	<b>124.99</b>
<b>Non-current liabilities</b>							
Long-term borrowings	Annexure 7	4.58	5.35	4.25	8.10	12.14	18.80
Deferred tax liabilities (net)	Annexure 14	-	-	-	-	0.44	-
Other long-term liabilities	Annexure 8	-	-	-	-	0.32	0.48
Long-term provisions	Annexure 9	124.30	118.30	67.67	56.88	32.01	22.68
		<b>128.88</b>	<b>123.65</b>	<b>71.92</b>	<b>64.98</b>	<b>44.91</b>	<b>41.96</b>
<b>Current liabilities</b>							
Short-term borrowings	Annexure 10	110.33	184.84	158.12	95.89	59.93	39.66
Other current liabilities	Annexure 11	864.50	546.63	487.31	391.96	340.75	261.91
Short-term provisions	Annexure 12	3.52	3.39	2.14	7.94	7.27	4.65
		<b>978.35</b>	<b>734.86</b>	<b>647.57</b>	<b>495.79</b>	<b>407.95</b>	<b>306.22</b>
		<b>1,737.68</b>	<b>1,416.30</b>	<b>1,081.26</b>	<b>822.50</b>	<b>638.27</b>	<b>473.17</b>
<b>Assets</b>							
<b>Non-current assets</b>							
-Property, plant and equipment - Tangible assets	Annexure 13(a)	51.20	54.20	56.45	60.95	64.90	7.96
-Capital work in progress		56.14	53.44	-	-	-	58.91
-Intangible assets	Annexure 13(b)	1.14	1.02	1.16	0.75	0.56	0.40
Deferred tax assets (net)	Annexure 14	1.28	0.74	0.81	0.96	-	0.47
Long-term loans and advances	Annexure 15	169.80	118.36	102.00	76.49	63.63	31.65
Other non-current assets	Annexure 16	142.79	115.78	89.21	64.38	48.14	29.55
		<b>422.35</b>	<b>343.54</b>	<b>249.63</b>	<b>203.53</b>	<b>177.23</b>	<b>128.94</b>
<b>Current assets</b>							
Trade receivables	Annexure 17	520.30	602.37	422.03	368.97	257.25	183.49
Cash and bank balances	Annexure 18	452.94	335.90	296.56	172.37	124.32	123.70
Short-term loans and advances	Annexure 19	17.52	9.71	0.76	0.88	1.32	0.56
Other current assets	Annexure 20	324.57	124.78	112.28	76.75	78.15	36.48
		<b>1,315.33</b>	<b>1,072.76</b>	<b>831.63</b>	<b>618.97</b>	<b>461.04</b>	<b>344.23</b>
		<b>1,737.68</b>	<b>1,416.30</b>	<b>1,081.26</b>	<b>822.50</b>	<b>638.27</b>	<b>473.17</b>

Summary of accounting policies and other explanatory information Annexure 4 to Annexure 34  
The accompanying notes are an integral part of the restated financial statements.

This is the Restated Summary Statement of Assets and Liabilities, referred to in our report of even date.

For Walker Chandio & Co LLP  
Chartered Accountants

per Anamitra Das  
Partner

Place: Kolkata  
Date: 16 March 2018

For and on behalf of the board of directors  
Genius Consultants Limited

Rajendra Prasad Yadav  
Chairman and Managing Director

Saurabh Sett  
Chief Financial officer

Place: Kolkata  
Date: 16 March 2018

Reeta Yadav  
Director

Indrajit Poddar  
Company Secretary

**GENIUS CONSULTANTS LIMITED**  
**RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS**

**Annexure 2**

*(Amount in ₹ millions)*

Particulars	Annexure	For the period	For the years ended					
		1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013	
<b>Revenue:</b>								
Revenue from operations (net)	Annexure 21	6,712.88	7,797.47	6,197.36	5,159.57	4,446.97	3,585.60	
Other income	Annexure 22	6.67	18.82	8.28	7.83	3.52	1.94	
<b>Total revenue</b>		<b>6,719.55</b>	<b>7,816.29</b>	<b>6,205.64</b>	<b>5,167.40</b>	<b>4,450.49</b>	<b>3,587.54</b>	
<b>Expenses:</b>								
Employee benefits expense	Annexure 23	6,247.58	7,223.24	5,726.57	4,786.19	4,042.83	3,334.90	
Finance costs	Annexure 24	5.91	6.45	5.20	4.97	4.66	1.74	
Depreciation and amortization expense	Annexure 25	5.75	8.77	9.48	10.31	6.17	2.42	
Other expenses	Annexure 26	336.39	351.55	293.31	237.49	298.24	184.74	
<b>Total expenses</b>		<b>6,595.63</b>	<b>7,590.01</b>	<b>6,034.56</b>	<b>5,038.96</b>	<b>4,351.90</b>	<b>3,523.80</b>	
<b>Profit before tax</b>		<b>123.92</b>	<b>226.28</b>	<b>171.08</b>	<b>128.44</b>	<b>98.59</b>	<b>63.74</b>	
<b>Tax expense :</b>								
Current tax		30.00	48.50	60.00	46.00	31.11	21.00	
Tax on earlier years		-	(2.31)	-	0.81	0.09	(0.44)	
MAT credit entitlement		-	(16.00)	-	-	-	-	
Deferred tax expense/(credit)		(0.54)	0.07	0.15	(1.40)	0.91	(0.47)	
<b>Profit after tax, as restated</b>		<b>94.46</b>	<b>196.02</b>	<b>110.93</b>	<b>83.03</b>	<b>66.48</b>	<b>43.65</b>	

Summary of accounting policies and other explanatory information Annexure 4 to Annexure 34  
The accompanying notes are an integral part of the restated financial statements.

This is the Restated Summary Statement of Profit and Loss, referred to in our report of even date.

**For Walker Chandiook & Co LLP**  
Chartered Accountants

per **Anamitra Das**  
**Partner**

For and on behalf of the board of directors  
**Genius Consultants Limited**

**Rajendra Prasad Yadav**  
Chairman and Managing Director

**Reeta Yadav**  
Director

**Saurabh Sett**  
Chief Financial officer

**Indrajit Poddar**  
Company Secretary

**Place:** Kolkata  
**Date:** 16 March 2018

**Place:** Kolkata  
**Date:** 16 March 2018

GENIUS CONSULTANTS LIMITED  
RESTATED SUMMARY STATEMENT OF CASH FLOWS

Annexure 3

(Amount in ₹ millions)

Particulars	For the period	For the years ended				
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net Profit before tax	123.92	226.28	171.08	128.44	98.59	63.74
Adjustments for:						
Depreciation and amortisation expense	5.75	8.77	9.48	10.31	6.17	2.42
Interest expense	5.91	6.45	5.20	4.97	4.66	1.74
(Profit)/loss on sale of fixed assets	(0.26)	0.13	(0.46)	(0.10)	0.14	(0.08)
Liability no longer required written back	-	-	(0.24)	-	-	-
Interest income on fixed deposits	(6.19)	(8.54)	(7.58)	(6.10)	(3.50)	(1.23)
<b>Operating profit before working capital changes</b>	<b>129.13</b>	<b>233.09</b>	<b>177.48</b>	<b>137.52</b>	<b>106.06</b>	<b>66.59</b>
<b>Adjustments for changes in working capital:</b>						
Increase / (decrease) in other long term liabilities	-	-	-	(0.32)	(0.16)	0.05
Increase in long-term provisions	6.00	50.63	10.78	24.87	9.33	22.68
Increase in short-term provisions	0.13	1.25	0.44	0.49	0.21	1.01
Decrease in non-current assets	(4.17)	(50.36)	(11.20)	(23.38)	(9.29)	(21.55)
Increase / (decrease) in other current assets	(201.10)	(13.08)	(34.64)	3.78	(41.16)	(34.80)
Increase in other current liabilities	317.69	60.48	97.95	49.25	78.68	92.95
Increase / (decrease) in trade receivables	82.07	(180.34)	(53.06)	(111.72)	(73.75)	(62.35)
(Increase) / decrease in short-term loans and advances	(7.81)	(8.96)	0.12	0.45	(0.76)	(0.34)
(Increase) / decrease in long-term loans and advances	(0.59)	(0.83)	(1.81)	(0.07)	(0.16)	1.65
<b>Cash generated from operating activities</b>	<b>321.35</b>	<b>91.88</b>	<b>186.06</b>	<b>80.87</b>	<b>69.00</b>	<b>65.89</b>
-Direct taxes paid (net)	(80.84)	(45.73)	(83.67)	(59.60)	(63.58)	(26.17)
<b>Net cash generated from operating activities</b>	<b>240.51</b>	<b>46.15</b>	<b>102.39</b>	<b>21.27</b>	<b>5.42</b>	<b>39.72</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchase of property, plant and equipment and intangible assets (including capital advances)	(5.73)	(60.29)	(6.22)	(7.18)	(4.77)	(60.80)
Proceeds from sale of property, plant and equipment	0.42	0.34	1.28	0.25	0.81	0.38
Proceeds from redemption of/(investment in) fixed deposits - net	6.63	(49.20)	(26.35)	(24.69)	(22.55)	18.80
Interest received	0.81	5.65	3.07	0.61	0.40	1.59
<b>Net cash generated from / (used in) investing activities</b>	<b>2.13</b>	<b>(103.50)</b>	<b>(28.22)</b>	<b>(31.01)</b>	<b>(26.11)</b>	<b>(40.03)</b>

**GENIUS CONSULTANTS LIMITED**  
**RESTATED SUMMARY STATEMENT OF CASH FLOWS**

**Annexure 3**

*(Amount in ₹ millions)*

Particulars	For the period	For the years ended				
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from long term borrowings	0.88	4.10	2.21	6.26	3.63	23.15
Repayment of long-term borrowings	(1.47)	(4.14)	(8.43)	(8.35)	(10.14)	(5.01)
Proceeds from / (repayment of) short term borrowings (net)	(74.51)	26.72	62.23	35.96	20.27	9.48
Interest paid	(5.91)	(6.45)	(5.20)	(4.97)	(4.66)	(1.74)
Dividend paid	(18.11)	-	(14.23)	(5.18)	(3.11)	(3.11)
Dividend distribution tax paid	(3.69)	-	(2.89)	(0.88)	(0.53)	(0.50)
<b>Net cash generated from / (used in) financing activities</b>	<b>(102.81)</b>	<b>20.23</b>	<b>33.69</b>	<b>22.84</b>	<b>5.46</b>	<b>22.27</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>139.83</b>	<b>(37.12)</b>	<b>107.86</b>	<b>13.10</b>	<b>(15.23)</b>	<b>21.96</b>
Cash and cash equivalents as at the beginning of the period/year	177.04	214.16	106.30	93.20	108.43	86.47
<b>Cash and cash equivalents as at the end of the period/year</b>	<b>316.87</b>	<b>177.04</b>	<b>214.16</b>	<b>106.30</b>	<b>93.20</b>	<b>108.43</b>
<b>Cash and bank balances as per Note 18</b>	452.94	335.90	296.56	172.37	124.32	123.70
Less: Other bank balances	136.07	158.86	82.40	66.07	31.12	15.27
	<b>316.87</b>	<b>177.04</b>	<b>214.16</b>	<b>106.30</b>	<b>93.20</b>	<b>108.43</b>

Summary of accounting policies and other explanatory information Annexure 4 to Annexure 34  
The accompanying notes are an integral part of the restated financial statements.

This is the Restated Summary Statement of Cash Flows, referred to in our report of even date.

**For Walker Chandio & Co LLP**  
Chartered Accountants

For and on behalf of the board of directors  
**Genius Consultants Limited**

per **Anamitra Das**  
**Partner**

**Rajendra Prasad Yadav**  
Chairman and Managing Director

**Reeta Yadav**  
Director

**Saurabh Sett**  
Chief Financial officer

**Indrajit Poddar**  
Company Secretary

**Place:** Kolkata  
**Date:** 16 March 2018

**Place:** Kolkata  
**Date:** 16 March 2018

Annexure 4 - STATEMENT OF NOTES TO RESTATED FINANCIAL INFORMATION

**1(A) Corporate information**

Genius Consultants Limited ('the Company') was incorporated on 27 July 1993 under the provision of Companies Act, 1956 and is engaged mainly in the business of temporary staffing, recruitment process outsourcing (RPO), payroll processing and background checking and verification. It operates its business from its head office at Kolkata along with various branches located in almost all major cities of India.

**1(B) Basis of preparation**

The Restated Summary Statement of Assets and Liabilities of the Company as at 31 December 2017 and as at 31 March 2017, 2016, 2015, 2014 and 2013 and the related Restated Summary Statement of Profit and Loss and the related Restated Summary Statement of Cash Flows for the nine month period ended 31 December 2017 and for the years ended 31 March 2017, 2016, 2015, 2014 and 2013 respectively herein collectively referred to as ("Restated Summary Statements") have been compiled by the management from the audited financial statements for the nine month period ended 31 December 2017 and for the years ended 31 March 2017, 2016, 2015, 2014 and 2013 respectively, which were prepared under generally accepted accounting principles in India (Indian GAAP) and approved by the Board of Directors of the Company at that relevant time. The restated financial statements were authorised for issue in accordance with the resolution passed by the Board of Directors on 16 March 2018.

The restated summary statements have been prepared specifically for the inclusion in the offer document to be filed by the Company with the National Stock Exchange of India Limited ('NSE'), Bombay Stock Exchange ('BSE') Limited, Securities and Exchange Board of India ('SEBI') and Registrar of Companies, West Bengal in connection with its proposed offer.

These Restated Summary Statements of assets and liabilities, profits and losses and cash flows have been prepared to comply in all material respects with the requirements of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the relevant provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI on August 26, 2009 as amended from time to time. The Restated Summary Statements and other financial information have been prepared after incorporating adjustments for the material amounts in the respective years to which they relate.

The Company has prepared the financial statements in accordance with the principles and procedures required for the preparation and presentation of financial statements as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the Companies (Accounting Standards) Amendment Rules, 2006 (as amended) and other accounting principles generally accepted in India as applicable. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company and are consistent with those adopted in the preparation of interim financial statements for the period ended 31 December, 2017.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of work, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

**2. Significant Accounting Policies**

**a) Use of estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reportable balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amount of income and expenses during the period. Examples of such estimates include provisions for doubtful loans and advances, future obligations under employee retirement benefit plans, income taxes, classification of assets and liabilities into current and non-current and the useful lives of fixed assets.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**b) Property, Plant and Equipment - Tangible Assets**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Subsequent expenditures, if any, related to an item of fixed assets are added to its book value only if they increase the future benefits from existing asset beyond its previously assessed standard of performance.

**c) Intangible assets and amortisation**

Intangible Assets are stated at cost less accumulated amortization. Intangible Assets are amortized over a period of five years.

**d) Depreciation**

Depreciation is calculated on written down value method over the useful lives of assets prescribed under Schedule II of the Act. In respect of additions, depreciation is provided on pro-rata basis from the date of acquisition/installation. Written down value of all assets acquired prior to 1st April 2014 are being depreciated over their remaining useful life as prescribed in Schedule II of the Act.

Depreciation in respect of financial year 31 March 2013 and 31 March 2014 have been calculated on written down value method over the useful life of assets prescribed under Schedule XIV of Companies Act, 1956.

**e) Revenue recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably estimated and collectability is reasonably assured.

The amount recognized as revenue is exclusive of taxes.

Revenue from sale of manpower services is accounted on accrual basis on performance of the service agreed in the contract between the Company and its customer.

Revenue from recruitment services, payroll processing, background verification etc. is recognized on accrual basis upon execution of the service.

**Other income:**

Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Interest on tax refunds is recognized on actual receipt of the refund money or on communication from the income tax department, whichever is earlier.

**f) Borrowing costs**

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## GENIUS CONSULTANTS LIMITED

### Annexure 4 - STATEMENT OF NOTES TO RESTATED FINANCIAL INFORMATION

#### g) Taxes

The tax expense comprises of current taxes and deferred taxes. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of the Income-tax Act, 1961 ("IT Act"). The Company accounts for tax credit in respect of Minimum Alternate Tax ("MAT") in situations where the MAT payable is higher than tax payable under normal provisions of the IT Act. The credit so availed is adjusted in future years when the tax under normal provisions is higher than MAT payable to the extent of the said difference.

Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognized/derecognized only to the extent that there is reasonable/ virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### h) Foreign currency transactions

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of the accounting period using the exchange rate as at the reporting date. Exchange differences on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

#### i) Employee benefits:

##### Provident fund:

Contribution towards provident fund for certain employees is made to the regulatory authorities where the Company has no further obligations apart from the contributions made on a monthly basis. Such benefits are classified as Defined Contribution Schemes.

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The Company's liability is actuarially determined (deterministic approach) at the end of the year. Actuarial gains/losses are recognized in the Statement of Profit and Loss in the year in which they arise. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, is made good by the Company.

##### Compensated absences

The eligible employees of the Company are entitled to be compensated for unavailed leave as per the policy of the Company, the liability in respect of which is provided, based on an actuarial valuation (projected unit credit method) at the end of the year. Actuarial gains/losses are recognized in the Statement of Profit and Loss in the year in which they arise.

##### Gratuity

The Company's gratuity scheme is a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Company's liability is actuarially determined (projected unit credit method) at the end of the year. Actuarial gains/losses are recognized in the Statement of Profit and Loss in the year in which they arise.

In addition to the above, the Company recognizes its liability in respect of gratuity for associate employees and its right of reimbursement as an asset. Employee benefits expense in respect of gratuity to associate employees and reimbursement right is presented in accordance with AS-15 - Employee Benefits.

##### Labour Welfare Fund

Labour Welfare Fund forms part of defined contribution scheme of the Company. Liability towards labour welfare fund is accounted for on accrual basis and deposited into Labour Welfare Fund of the respective state governments.

##### Employee State Insurance Scheme ('ESIC')

Liability towards Employees State Insurance Scheme is provided on accrual basis and deposited into funds maintained by the ESIC.

#### j) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Lease payments under an operating lease are recognized as an expense in the Statement of Profit and Loss in accordance with the terms of lease deed.

#### k) Impairment of assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the recoverable amount. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the assets' net selling price or present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal.

#### l) Provisions, contingent liabilities and contingent assets

i) A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.

iii) Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

#### m) Earnings per equity share

Basic earning per equity share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of diluted earnings per equity share, the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### n) Cash and cash equivalents

Cash and cash equivalents comprise cash and demand deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible into known amounts of cash to be cash equivalents.

**GENIUS CONSULTANTS LIMITED**  
**RESTATED SUMMARY STATEMENT OF NOTES TO RESTATED FINANCIAL INFORMATION**

**Annexure 4 (Cont'd)**

3. Modifications in the auditor's report and statements/comments included in the Annexure's to the Audit Report on the audited financial statements of the Company for the years ended 31 March 2017, 2016, 2015, 2014 and 2013 which do not require any corrective adjustments in the Restated Financial Information are as follows:

**Financial year ended 31 March 2013**

- (i) Note 22 (c) as regards non-finalization of trust fund account and consequential shortfall, if any on account of interest to beneficiaries which states that the financial statement of the Employees Provident Fund Trust for the year ended 31 March 2013 are not yet finalized. The shortfall, if any on account of minimum stipulated interest to the beneficiaries is not ascertainable at this stage and hence not given effect to in the book of Employer Company.
- (ii) The following amounts have neither been deposited in respect of disputed dues of Employees State Insurance nor liability been provided in the books of accounts.

Nature of Dues	Period to which it relates	Forum where it is pending	(Amount in ₹ millions)
Employees' State Insurance	2002-03	Employee Insurance	0.10
	2003-04	Court, West bengal	1.91

**Financial year ended 31 March 2014**

- (i) Note 22 (c) as regards non finalization of self managed trust fund account and consequential shortfall, if any on account of interest to beneficiaries which states that the financial statement of the Employees Provident Fund Trust for the year ended 31 March 2014 are not yet finalized. The shortfall, if any on account of minimum stipulated interest to the beneficiaries is not ascertainable at this stage and hence not given effect to in the book of Employer Company.
- (ii) The following amounts have neither been deposited in respect of disputed dues of Employees State Insurance nor liability been provided in the books of accounts.

Nature of Dues	Period to which it relates	Forum where it is pending	(Amount in ₹ millions)
Employees' State Insurance	2002-03	Employee Insurance	0.10
	2003-04	Court, West bengal	1.91

**Financial year ended 31 March 2015**

- (i) Note 23(b) as regards non-finalization of self managed trust fund account and consequential shortfall, if any on account of interest to beneficiaries. The financial statement of the Employees Provident Fund Trust for the year ended 31 March 2015 are not yet finalized. The shortfall, if any on account of minimum stipulated interest to the beneficiaries is not ascertainable at this stage and hence not given effect to in the book of Employer Company.
- (ii) The following amounts have neither been deposited in respect of disputed dues of Employees State Insurance nor liability been provided in the books of accounts.

Nature of Dues	Period to which it relates	Forum where it is pending	(Amount in ₹ millions)
Employees' State Insurance	2002-03	Employee Insurance	0.10
	2003-04	Court, West bengal	1.91

**Financial year ended 31 March 2016**

- (ii) The following amounts have neither been deposited in respect of disputed dues of Employees State Insurance nor liability been provided in the books of accounts.

Nature of Dues	Period to which it relates	Forum where it is pending	(Amount in ₹ millions)
Employees' State Insurance	2003-04	Employee Insurance Court, West bengal	1.50

**GENIUS CONSULTANTS LIMITED**  
**RESTATED SUMMARY STATEMENT OF RECONCILIATION OF RESTATED PROFIT TO PROFIT AS PER AUDITED FINANCIAL STATEMENTS**

**Annexure 4 (Cont'd)**

**4. Impact of restatement adjustments**

*(Amount in ₹ millions)*

Particulars	For the period/year ended					
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Profit after tax (as per audited financial statements)</b>	<b>94.46</b>	<b>196.34</b>	<b>110.05</b>	<b>83.88</b>	<b>64.56</b>	<b>43.66</b>
<b>Restatement adjustments:</b>						
Prior period adjustments (net)	-	0.29	0.01	(0.10)	0.20	0.02
Depreciation impact due to adoption of consistent accounting policy (refer note 2)	-	0.07	0.17	0.65	1.78	(0.38)
Actuarial valuation impact due to adoption of Accounting Standard 15 (refer note 3)	-	(0.48)	1.01	(1.89)	0.88	(0.50)
Insurance expenses (refer note 3)	-	(0.07)	(0.07)	(0.08)	(0.09)	(0.06)
Gain on sale of fixed assets (refer note 4)	-	-	-	0.06	0.04	-
Prior period expenses - tax adjustments of prior years (refer note 5)	-	-	-	0.00	(0.09)	0.44
Deferred tax impact of restated adjustments (refer note 6)	-	(0.13)	(0.24)	0.51	(0.79)	0.47
<b>Profit after tax, as restated</b>	<b>94.46</b>	<b>196.02</b>	<b>110.93</b>	<b>83.03</b>	<b>66.48</b>	<b>43.65</b>

**Note:** A positive figures represents addition and figures in brackets represents deletion in the corresponding head in the audited financial statements for respective reporting periods to arrive at the restated numbers

**Explanatory notes for the restatement adjustments**

- 1) Adjustment correcting revenue from operations and related reimbursable expenses relating to prior years.
- 2) Adjustment correcting depreciation calculated in accordance with the provisions of Companies Act 1956/Companies Act 2013, which the Company was providing as per the provisions of Income-tax Act 1961.
- 3) Adjustment for providing retirement benefits (gratuity and compensated absences) in accordance with the requirements of Accounting Standard 15. Further payments made to funds towards insurance expense have been adjusted in the respective years.
- 4) Adjustment correcting pro rate depreciation to be charged on the assets sold during the respective years.
- 5) During the years ended 31 March 2017, 2016, 2015, 2014 and 2013, certain taxes have been accounted for pertaining to earlier years based on intimations/ orders received from Income-tax authorities. For the purpose of the Restated Financial Information, such items have been appropriately adjusted to the respective years in which the order was received.
- 6) Deferred tax impact on restated adjustments comprise of deferred tax on unpaid liability of compensated absence and gratuity and adjustments to written down value of fixed assets in accordance with Note 1, Note 2 and Note 3 above.

**Material regrouping**

Appropriate adjustments have been made in the Restated Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the nine month period ended December 31, 2017 and years ended 31 March 2017, 2016, 2015, 2014 and 2013 respectively, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended).

**GENIUS CONSULTANTS LIMITED**
**Annexure 5 - SHARE CAPITAL**

Particulars	<i>(Amount in ₹ millions)</i>											
	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>												
Equity shares of ₹ 10 each	25,000,000	250.00	25,000,000	250.00	7,000,000	70.00	4,000,000	40.00	4,000,000	40.00	2,500,000	25.00
	<b>25,000,000</b>	<b>250.00</b>	<b>25,000,000</b>	<b>250.00</b>	<b>7,000,000</b>	<b>70.00</b>	<b>4,000,000</b>	<b>40.00</b>	<b>4,000,000</b>	<b>40.00</b>	<b>2,500,000</b>	<b>25.00</b>
<b>Issued, subscribed and fully paid up</b>												
Equity shares of ₹10 each	18,112,500	181.13	18,112,500	181.13	6,037,500	60.38	3,450,000	34.50	3,450,000	34.50	2,070,000	20.70
	<b>18,112,500</b>	<b>181.13</b>	<b>18,112,500</b>	<b>181.13</b>	<b>6,037,500</b>	<b>60.38</b>	<b>3,450,000</b>	<b>34.50</b>	<b>3,450,000</b>	<b>34.50</b>	<b>2,070,000</b>	<b>20.70</b>

**a) Reconciliation of equity share outstanding at the beginning and end of the period/year**

Particulars	<i>(Amount in ₹ millions)</i>											
	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At the beginning of the period/year	18,112,500	181.13	6,037,500	60.38	3,450,000	34.50	3,450,000	34.50	2,070,000	20.70	2,070,000	20.70
Add: Issue of Bonus shares	-	-	12,075,000	120.75	2,587,500	25.88	-	-	1,380,000	13.80	-	-
<b>At the end of the period/year</b>	<b>18,112,500</b>	<b>181.13</b>	<b>18,112,500</b>	<b>181.13</b>	<b>6,037,500</b>	<b>60.38</b>	<b>3,450,000</b>	<b>34.50</b>	<b>3,450,000</b>	<b>34.50</b>	<b>2,070,000</b>	<b>20.70</b>

**b) Details of shareholders holding more than 5% of the equity shares of the Company**

Particulars	<i>(Amount in ₹ millions)</i>											
	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares of ₹10 each</b>												
Rajendra Prasad Yadav	12,234,925	67.55%	12,229,875	67.52%	4,076,625	67.52%	2,329,500	67.52%	2,329,500	67.52%	1,397,700	67.52%
Reeta Yadav	5,840,625	32.25%	5,840,625	32.25%	1,946,875	32.25%	1,112,500	32.25%	1,112,500	32.25%	667,500	32.25%

**c) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, equity shareholders are eligible to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholdings.

**d) Details of shares allotted as fully paid up by way of bonus issues during the previous years**

Particulars	<i>(Amount in ₹ millions)</i>												
	1 April 2017 to 31 December 2017				31 March 2017				For the period/year ended				
	Number of shares		Amount		Number of shares		Amount		31 March 2016		31 March 2015		31 March 2014
Fully paid up by way of Bonus shares (*)	-	-	12,075,000	120.75	2,587,500	25.88	-	-	1,380,000	13.80	-	-	
<b>At the end of the period/year</b>	<b>-</b>	<b>-</b>	<b>12,075,000</b>	<b>120.75</b>	<b>2,587,500</b>	<b>25.88</b>	<b>-</b>	<b>-</b>	<b>1,380,000</b>	<b>13.80</b>	<b>-</b>	<b>-</b>	

(\*) The bonus shares were issued pursuant to bonus issue approved by the shareholders. For this purpose, 16,042,500 equity shares were allotted for every one share held by the shareholders and accordingly a sum of ₹ 160,425,000 is capitalized out of the Company's general reserve and transferred to share capital account.

e) There are no shares allotted as fully paid up pursuant to any contract without payment being received in cash during the period of five years immediately preceding the period ended 31 December 2017.

**GENIUS CONSULTANTS LIMITED**
**Annexure 6 - RESERVES AND SURPLUS**
*(Amount in ₹ millions)*

Particulars	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>General reserve</b>						
Opening Balance	90.00	110.00	88.08	48.08	31.88	11.88
Add: Transferred from surplus in Statement of Profit and Loss	-	100.75	47.80	40.00	30.00	20.00
Less: Utilised towards issuance of bonus shares	-	120.75	25.88	-	13.80	-
<b>Balance at the end of the period/year</b>	<b>90.00</b>	<b>90.00</b>	<b>110.00</b>	<b>88.08</b>	<b>48.08</b>	<b>31.88</b>
<b>Surplus in the Restated Summary Statement of Profit and Loss</b>						
Opening balance	286.66	191.39	139.15	102.83	72.41	52.40
(+) Net Profit for the period/year	94.46	196.02	110.93	83.03	66.48	43.65
(-) Proposed Dividend	18.11	-	-	5.18	5.18	3.11
(-) Interim Dividend	-	-	9.06	-	-	-
(-) Corporate Dividend Tax	3.69	-	1.83	1.06	0.88	0.53
(-) Transfer to General Reserve	-	100.75	47.80	40.00	30.00	20.00
(-) Adjustment relating to Fixed Assets	-	-	-	0.47	-	-
Closing Balance	<b>359.32</b>	<b>286.66</b>	<b>191.39</b>	<b>139.15</b>	<b>102.83</b>	<b>72.41</b>
<b>Net surplus in the Restated Summary Statement of Profit and Loss</b>	<b>449.32</b>	<b>376.66</b>	<b>301.39</b>	<b>227.23</b>	<b>150.91</b>	<b>104.29</b>

\*Pursuant to amendment in AS – 4 ‘Contingencies and Events Occurring After the Balance Sheet Date’ with effect from 01 April 2016 through Companies (Accounting Standards) Amendment Rules, 2016, the Company has changed its accounting policy in respect of dividend, i.e., (i) if the Company declares dividend to shareholders after the balance sheet date, the Company will not recognise those dividends as a liability at the balance sheet date unless a statute requires otherwise. Whereas, (ii) earlier the dividends in respect of the period covered by the financial statements, which were proposed or declared by the Company after the balance sheet date but before approval of the financial statements, were recorded as liability in the financial statements. Accordingly, proposed dividend for ₹ 18.11 million and tax on proposed dividend for ₹ 3.69 million has been de-recognised for the year ended 31 March 2017.

**GENIUS CONSULTANTS LIMITED**
**Annexure 7 - LONG-TERM BORROWINGS**
*(Amount in ₹ millions)*

Particulars	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Long-term borrowings (secured)</b>						
<b>Vehicle Loans</b>						
-From banks	6.72	7.31	5.77	6.18	2.36	2.14
- From others	-	-	-	0.25	0.66	1.18
Property Loan from a Bank	-	-	1.59	7.15	12.64	18.85
	6.72	7.31	7.36	13.58	15.66	22.17
Less: Current maturities of long-term borrowings (refer Annexure 11)	2.14	1.96	3.11	5.48	3.52	3.37
<b>Net long-term borrowings</b>	<b>4.58</b>	<b>5.35</b>	<b>4.25</b>	<b>8.10</b>	<b>12.14</b>	<b>18.80</b>

**Terms and conditions:**
**a) Security**

Vehicle loans from banks and other are secured by assets financed thereagainst.

Property Loan from a bank was secured by hypothecation of title deed of property financed thereagainst.

**b) Terms of Repayment:**

Vehicle loans from banks are repayable in equated monthly installments over the tenure of the loan (see table below).

Vehicle loans from others (already repaid) were repayable in equated monthly installments over the tenure of the loan.

Property Loan from a bank was repayable in monthly installment of ₹ 0.35 million. It carried interest @ 11.75% p.a.

**Repayment terms of long-term borrowings as at 31 December 2017**

Name of lender	Rate of Interest	Amount outstanding as at 31 December 2017	Remaining installments (in months)	Equated monthly installments
HDFC Bank	11.25%	0.15	15	0.01
HDFC Bank	10.25%	0.27	25	0.01
HDFC Bank	10.00%	0.33	32	0.01
HDFC Bank	10.00%	1.88	27	0.08
HDFC Bank	10.52%	0.15	20	0.01
HDFC Bank	19.58%	0.02	9	0.00
HDFC Bank	10.50%	0.04	4	0.01
HDFC Bank	9.00%	0.51	51	0.01
HDFC Bank	9.65%	0.40	42	0.01
HDFC Bank	9.45%	0.48	46	0.01
HDFC Bank	9.00%	0.70	52	0.02
HDFC Bank	9.45%	0.36	36	0.01
HDFC Bank	9.65%	0.58	41	0.02
HDFC Bank	8.46%	0.87	59	0.02

c) There have been no defaults in repayment of any installments of term loan taken from banks and others

**GENIUS CONSULTANTS LIMITED**

**Annexure 8 - OTHER LONG-TERM LIABILITIES**

<i>(Amount in ₹ millions)</i>						
<b>Particulars</b>	<b>31 December 2017</b>	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2015</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
Other liabilities	-	-	-	-	0.32	0.48
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.32</b>	<b>0.48</b>

**Annexure 9 - LONG-TERM PROVISIONS**

<i>(Amount in ₹ millions)</i>						
<b>Particulars</b>	<b>31 December 2017</b>	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2015</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
Provision for employee benefits:						
Gratuity (refer Annexure 12)						
- Permanent employees	1.54	-	0.24	0.89	-	0.02
- Associate employees	119.95	115.78	65.42	54.22	30.84	21.55
Compensated absences	2.81	2.52	2.01	1.77	1.17	1.11
<b>Total</b>	<b>124.30</b>	<b>118.30</b>	<b>67.67</b>	<b>56.88</b>	<b>32.01</b>	<b>22.68</b>

GENIUS CONSULTANTS LIMITED

Annexure 10 - SHORT-TERM BORROWINGS

(Amount in ₹ millions)

Particulars	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Secured</b>						
<b>Working capital loans (repayable on demand)</b>						
From HDFC Bank	0.02	114.65	84.70	59.74	59.93	39.66
From Kotak Mahindra Bank	110.31	70.19	-	-	-	-
From Deutsche Bank	-	-	73.42	36.15	-	-
	<b>110.33</b>	<b>184.84</b>	<b>158.12</b>	<b>95.89</b>	<b>59.93</b>	<b>39.66</b>

Terms and conditions:

a) Security

Cash credit facility from HDFC Bank is secured by hypothecation charge over the book debts of the Company. It is collaterally secured by lien over fixed deposits of the Company and personal guarantees of Mr. R P Yadav, Mrs. Reeta Yadav, Mrs. Preetika Yadav and Mrs. Rashmi Yadav.

Overdraft facility from Kotak Mahindra Bank is secured by exclusive charge by way of equitable mortgage of commercial office space of the Head Office of the Company at Kolkata. The facility is further secured by personal guarantees of Mr. R P Yadav and Mrs. Reeta Yadav.

Cash credit facility from Deutsche Bank was secured by hypothecation charge on book debts and all current assets of the Company. It was collaterally secured by mortgage of title deeds pertaining to commercial property of the Head Office of the Company and lien over fixed deposits.

b) Terms of repayment

Cash credit facility from HDFC Bank carries interest rate @ 8.10% p.a.

Overdraft facility from Kotak Mahindra Bank carries interest rate @ 10.10% p.a.

Cash credit facility from Deutsche Bank carried interest rate @ 10.80% p.a.

Annexure 11 - OTHER CURRENT LIABILITIES

(Amount in ₹ millions)

Particulars	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Current maturities of Long-term debt (refer Annexure 7)	2.14	1.96	3.11	5.48	3.52	3.37
Advance from customers	33.14	4.87	29.55	1.24	4.09	11.83
Statutory dues	289.48	140.43	103.45	102.44	68.87	53.94
Employee benefits payable	531.88	390.56	346.00	276.44	258.67	185.41
Other liabilities	7.86	8.81	5.20	6.36	5.60	7.36
<b>Total</b>	<b>864.50</b>	<b>546.63</b>	<b>487.31</b>	<b>391.96</b>	<b>340.75</b>	<b>261.91</b>

(Amount in ₹ millions)

## Annexure 12 - SHORT-TERM PROVISIONS

Particulars	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Provision for employee benefits :						
-Compensated absences	0.07	0.06	0.05	0.05	0.04	0.04
-Gratuity - associate employees (refer (d) below)	3.45	3.33	2.09	1.66	1.17	0.97
Proposed Dividend	-	-	-	5.18	5.18	3.11
Corporate Dividend Tax	-	-	-	1.05	0.88	0.53
	<b>3.52</b>	<b>3.39</b>	<b>2.14</b>	<b>7.94</b>	<b>7.27</b>	<b>4.65</b>

## (a) Provision for gratuity (permanent employees)

The following table set out the status of the plan for gratuity as required under Accounting Standard 15 (Revised)- Employee Benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligations and value of plan assets:

## 1) Changes in defined benefit obligation:

Description	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Projected benefit obligation at the beginning of the period/years	10.26	8.70	7.56	4.46	4.32	3.19
Current Service cost	1.18	1.19	1.54	1.01	0.63	0.47
Interest cost	0.57	0.69	0.59	0.41	0.36	0.27
Actuarial (gain)/loss	1.81	0.48	(0.32)	1.99	(0.11)	0.58
Benefits paid	(1.52)	(0.80)	(0.67)	(0.31)	(0.74)	(0.19)
<b>Projected benefit obligation at the end of the period/years</b>	<b>12.30</b>	<b>10.26</b>	<b>8.70</b>	<b>7.56</b>	<b>4.46</b>	<b>4.32</b>

## 2) Amount recognised as expense in the restated summary statement of profit and loss is determined as under:

Description	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Current Service cost	1.18	1.19	1.54	1.01	0.63	0.47
Interest cost	0.57	0.69	0.59	0.41	0.36	0.27
Recognized net actuarial (gain)/ loss	1.81	0.46	(0.30)	1.94	(0.13)	0.58
Expected return on plan assets	(0.63)	(0.68)	(0.59)	(0.45)	(0.39)	(0.33)
<b>Total expense recognized in the statement of profit and loss</b>	<b>2.93</b>	<b>1.66</b>	<b>1.24</b>	<b>2.91</b>	<b>0.47</b>	<b>0.99</b>

## 3) Amount recognised in the restated summary statement of balance sheet is as under:

Description	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation	12.30	10.26	8.70	7.56	4.46	4.32
Fair value of plan assets	10.76	10.46	8.46	6.67	5.20	4.30
<b>Net liability/(assets) recognized in balance sheet</b>	<b>1.54</b>	<b>(0.20)</b>	<b>0.24</b>	<b>0.89</b>	<b>(0.74)</b>	<b>0.02</b>

## 4) Changes in fair value of plan assets:

Description	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Plan assets as at the beginning of the period/years	10.46	8.45	6.66	5.19	4.29	3.19
Expected return on plan assets	0.63	0.69	0.60	0.46	0.40	0.33
Actuarial gain/(loss) on plan assets	-	0.02	(0.02)	0.05	0.02	-
Actual company contributions	1.19	2.10	1.89	1.28	1.23	0.97
Benefits paid	(1.52)	(0.80)	(0.67)	(0.31)	(0.74)	(0.19)
<b>Plan assets as at the end of the period/years</b>	<b>10.76</b>	<b>10.46</b>	<b>8.46</b>	<b>6.67</b>	<b>5.20</b>	<b>4.30</b>
Expected contribution of company to gratuity fund	3.55	1.44	2.10	2.68	-	0.47

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

## The principal assumptions used in determining the gratuity plan for the Company are shown below:

Description	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Discount rate	7.40%	7.40%	7.95%	7.80%	9.20%	8.40%
Salary growth rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Average remaining working life (in years)	26.82	27.42	27.69	27.91	27.89	24.83
Expected rate of return on plan assets	7.95%	7.95%	8.00%	8.85%	8.75%	9.15%
Retirement age	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years
Mortality rate	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08
Withdrawal Rate						
Ages						
Upto 30 years	3%	3%	3%	3%	3%	3%
31 to 44 years	2%	2%	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%	1%	1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## Present value of defined benefit obligation, deficit/(surplus) on funded status and experience adjustment for the period/years:

	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation at the end of the period/years	12.30	10.26	8.70	7.56	4.46	4.32
Plan assets at the end of the period/years	10.76	10.46	8.46	6.67	5.20	4.30
Funded status assets/(liability)	(1.54)	0.20	(0.24)	(0.89)	0.74	(0.02)
Experience (gain)/loss adjustments on plan liabilities	1.81	(0.36)	(0.11)	0.47	0.49	0.83
Experience gain/(loss) adjustments on plan assets	-	0.02	(0.02)	0.05	0.02	-

## (b) During the years, the Company has recognized the following amounts in the restated summary of profit and loss:

	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Employer's contribution to provident and other funds	526.96	574.68	455.81	379.18	340.52	267.43

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**Annexure 12 (Contd.)**

(c) In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government, and shortfall, if any, is made good by the Company. No liability has been provided since the balances in reserves and surplus of Genius Consultants Employees Provident Fund trust is more than the provident fund obligation.

**(d) Provision for gratuity (associate employees) - unfunded**

The Company has recognized gratuity liability and reimbursement right in respect of associate employees pursuant to paragraph 103 of Accounting Standard - 15, 'Employee Benefits' and accordingly disclosures have been made as required and to the extent provided by the actuary.

**1) Changes in defined benefit obligation:**

Description	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Projected benefit obligation at the beginning of the period/years	119.11	67.51	55.88	32.01	22.52	-
Current Service cost	13.41	16.77	10.73	7.31	6.07	3.90
Past Service cost	-	-	-	-	-	18.62
Interest cost	6.58	5.36	4.36	2.94	1.89	-
Actuarial (gain)/loss	(15.70)	29.47	(3.46)	13.62	1.53	-
Benefits paid	-	-	-	-	-	-
<b>Projected benefit obligation at the end of the period/years</b>	<b>123.40</b>	<b>119.11</b>	<b>67.51</b>	<b>55.88</b>	<b>32.01</b>	<b>22.52</b>

**2) Amount recognised as expense in the restated summary statement of profit and loss is determined as under**

Description	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Current Service cost	13.41	16.77	10.73	7.31	6.07	3.90
Past Service cost	-	-	-	-	-	18.62
Interest cost	6.58	5.36	4.36	2.94	1.89	-
Recognized net actuarial (gain)/ loss	(15.70)	29.47	(3.46)	13.62	1.53	-
<b>Total expense recognized in the statement of profit and loss</b>	<b>4.29</b>	<b>51.60</b>	<b>11.63</b>	<b>23.87</b>	<b>9.49</b>	<b>22.52</b>

**3) Amount recognised in the restated summary statement of balance sheet is as under:**

Description	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation	123.40	119.11	67.51	55.88	32.01	22.52
Fair value of plan assets	-	-	-	-	-	-
<b>Net liability recognized in balance sheet</b>	<b>123.40</b>	<b>119.11</b>	<b>67.51</b>	<b>55.88</b>	<b>32.01</b>	<b>22.52</b>

The principal assumptions used in determining the gratuity plan for the Company are shown below:

Description	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Discount rate	7.40%	7.40%	7.95%	7.80%	9.20%	8.40%
Salary growth rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Average remaining working life (in years)	21.89	23.05	21.74	20.84	20.70	21.41
Retirement age	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years
Mortality rate	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08
Withdrawal Rate						
Ages						
Upto 30 years	3%	3%	3%	3%	3%	3%
31 to 44 years	2%	2%	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%	1%	1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Present value of defined benefit obligation, deficit/(surplus) on funded status and experience adjustment for the years:**

Description	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation at the end of the period/years	123.40	119.11	67.51	55.88	32.01	22.52
Funded status -liability	123.40	119.11	67.51	55.88	32.01	22.52
Experience (gain)/loss adjustments on plan liabilities	(15.70)	19.67	(1.92)	3.23	5.54	18.56

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Annexure 13(a) - PROPERTY, PLANT AND EQUIPMENT - TANGIBLE ASSETS

(Amount in ₹ millions)

Gross block	Buildings	Electric installations	Computers	Furniture and fixtures	Vehicles	Office equipments	Total
<b>Balance as at 1 April 2012</b>	-	0.17	7.82	2.63	8.77	2.79	<b>22.18</b>
Additions	-	-	0.36	-	0.88	0.03	1.27
Disposals	-	0.05	-	-	0.92	-	0.97
<b>Balance as at 31 March 2013</b>	-	<b>0.12</b>	<b>8.18</b>	<b>2.63</b>	<b>8.73</b>	<b>2.82</b>	<b>22.48</b>
Additions	51.03	-	1.36	4.47	1.15	5.93	63.94
Disposals	-	-	2.62	0.50	0.30	0.31	3.73
<b>Balance as at 31 March 2014</b>	<b>51.03</b>	<b>0.12</b>	<b>6.92</b>	<b>6.60</b>	<b>9.58</b>	<b>8.44</b>	<b>82.69</b>
Additions	-	-	1.31	-	5.21	0.05	6.57
Disposals	-	-	-	-	0.58	-	0.58
<b>Balance as at 31 March 2015</b>	<b>51.03</b>	<b>0.12</b>	<b>8.23</b>	<b>6.60</b>	<b>14.21</b>	<b>8.49</b>	<b>88.68</b>
Additions	-	-	1.65	0.72	1.24	1.48	5.09
Disposals	-	-	-	-	3.55	0.18	3.73
<b>Balance as at 31 March 2016</b>	<b>51.03</b>	<b>0.12</b>	<b>9.88</b>	<b>7.32</b>	<b>11.90</b>	<b>9.79</b>	<b>90.04</b>
Additions	-	-	2.41	0.12	3.42	0.32	6.27
Disposals	-	0.12	5.76	1.52	1.23	2.54	11.17
<b>Balance as at 31 March 2017</b>	<b>51.03</b>	<b>0.00</b>	<b>6.53</b>	<b>5.92</b>	<b>14.09</b>	<b>7.57</b>	<b>85.14</b>
Additions	-	-	1.68	-	0.64	0.15	2.47
Disposals	-	-	-	-	1.39	0.11	1.50
<b>Balance as at 31 December 2017</b>	<b>51.03</b>	<b>0.00</b>	<b>8.21</b>	<b>5.92</b>	<b>13.34</b>	<b>7.61</b>	<b>86.11</b>
<b>Accumulated depreciation</b>							
<b>Balance as at 1 April 2012</b>	-	0.10	7.21	0.96	3.38	1.20	12.85
Depreciation charge	-	0.01	0.30	0.30	1.50	0.23	2.34
Reversal on disposal of assets	-	0.03	-	-	0.64	-	0.67
<b>Balance as at 31 March 2013</b>	-	<b>0.08</b>	<b>7.51</b>	<b>1.26</b>	<b>4.24</b>	<b>1.43</b>	<b>14.52</b>
Depreciation charge	2.34	0.01	0.55	0.96	1.25	0.93	6.04
Reversal on disposal of assets	-	-	2.18	0.18	0.24	0.17	2.77
<b>Balance as at 31 March 2014</b>	<b>2.34</b>	<b>0.09</b>	<b>5.88</b>	<b>2.04</b>	<b>5.25</b>	<b>2.19</b>	<b>17.79</b>
Depreciation charge	2.37	0.03	1.16	1.41	1.66	3.26	9.89
Reversal on disposal of assets	-	-	-	-	0.42	-	0.42
Transfer from Reserves	-	-	0.00	0.02	0.29	0.16	0.47
<b>Balance as at 31 March 2015</b>	<b>4.71</b>	<b>0.12</b>	<b>7.04</b>	<b>3.47</b>	<b>6.78</b>	<b>5.61</b>	<b>27.73</b>
Depreciation charge	2.26	0.00	1.27	0.98	2.59	1.67	8.77
Reversal on disposal of assets	-	-	-	-	2.80	0.11	2.91
<b>Balance as at 31 March 2016</b>	<b>6.97</b>	<b>0.12</b>	<b>8.31</b>	<b>4.45</b>	<b>6.57</b>	<b>7.17</b>	<b>33.59</b>
Depreciation charge	2.14	0.00	1.75	0.77	2.26	1.27	8.19
Reversal on disposal of assets	-	0.12	5.66	1.45	1.10	2.51	10.84
<b>Balance as at 31 March 2017</b>	<b>9.11</b>	<b>(0.00)</b>	<b>4.40</b>	<b>3.77</b>	<b>7.73</b>	<b>5.93</b>	<b>30.94</b>
Depreciation charge	1.54	-	1.22	0.43	1.59	0.53	5.31
Reversal on disposal of assets	-	-	-	-	1.27	0.07	1.34
<b>Balance as at 31 December 2017</b>	<b>10.65</b>	<b>(0.00)</b>	<b>5.62</b>	<b>4.20</b>	<b>8.05</b>	<b>6.39</b>	<b>34.91</b>
<b>Net block</b>							
Balance as at 31 March 2013	-	0.04	0.67	1.37	4.49	1.39	<b>7.96</b>
Balance as at 31 March 2014	48.69	0.03	1.04	4.56	4.33	6.25	<b>64.90</b>
Balance as at 31 March 2015	46.32	(0.00)	1.19	3.13	7.43	2.88	<b>60.95</b>
Balance as at 31 March 2016	44.06	(0.00)	1.57	2.87	5.33	2.62	<b>56.45</b>
Balance as at 31 March 2017	41.92	0.00	2.13	2.15	6.36	1.64	<b>54.20</b>
Balance as at 31 December 2017	40.38	0.00	2.59	1.72	5.29	1.22	<b>51.20</b>

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Annexure 13(b) - INTANGIBLE ASSETS

Intangible assets	<i>(Amount in ₹ millions)</i>	
Gross block	Softwares	Total
<b>Balance as at 01 April 2012</b>	1.48	1.48
Additions	0.07	0.07
Disposals	-	-
<b>Balance as at 31 March 2013</b>	<b>1.55</b>	<b>1.55</b>
Additions	0.29	0.29
Disposals	-	-
<b>Balance as at 31 March 2014</b>	<b>1.84</b>	<b>1.84</b>
Additions	0.61	0.61
Disposals	-	-
<b>Balance as at 31 March 2015</b>	<b>2.45</b>	<b>2.45</b>
Additions	1.12	1.12
Disposals	-	-
<b>Balance as at 31 March 2016</b>	<b>3.57</b>	<b>3.57</b>
Additions	0.58	0.58
Disposals	1.83	1.83
<b>Balance as at 31 March 2017</b>	<b>2.32</b>	<b>2.32</b>
Additions	0.56	0.56
Disposals	-	-
<b>Balance as at 31 December 2017</b>	<b>2.88</b>	<b>2.88</b>
<b>Accumulated amortisation</b>		
<b>Balance as at 01 April 2012</b>	1.07	1.07
Amortisation charge	0.08	0.08
Reversal on disposal of assets	-	-
<b>Balance as at 31 March 2013</b>	<b>1.15</b>	<b>1.15</b>
Amortisation charge	0.13	0.13
Reversal on disposal of assets	-	-
<b>Balance as at 31 March 2014</b>	<b>1.28</b>	<b>1.28</b>
Amortisation charge	0.42	0.42
Reversal on disposal of assets	-	-
Transfer to reserves	-	-
<b>Balance as at 31 March 2015</b>	<b>1.70</b>	<b>1.70</b>
Amortisation charge	0.71	0.71
Reversal on disposal of assets	-	-
<b>Balance as at 31 March 2016</b>	<b>2.41</b>	<b>2.41</b>
Amortisation charge	0.58	0.58
Reversal on disposal of assets	1.69	1.69
<b>Balance as at 31 March 2017</b>	<b>1.30</b>	<b>1.30</b>
Amortisation charge	0.44	0.44
Reversal on disposal of assets	-	-
<b>Balance as at 31 December 2017</b>	<b>1.74</b>	<b>1.74</b>
<b>Net block</b>		
Balance as at 31 March 2013	0.40	<b>0.40</b>
Balance as at 31 March 2014	0.56	<b>0.56</b>
Balance as at 31 March 2015	0.75	<b>0.75</b>
Balance as at 31 March 2016	1.16	<b>1.16</b>
Balance as at 31 March 2017	1.02	<b>1.02</b>
Balance as at 31 December 2017	1.14	<b>1.14</b>

**GENIUS CONSULTANTS LIMITED**
**Annexure 14 - DEFERRED TAX ASSETS/LIABILITIES (NET)**

Particulars	<i>(Amount in ₹ millions)</i>					
	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Deferred tax assets arising on account of:</b>						
Timing difference on written down value of fixed assets	-	-	0.01	0.04	-	0.09
Timing difference on provisions for employee benefits	1.46	0.78	0.80	0.92	0.16	0.38
<b>Deferred tax liability arising on account of:</b>						
Timing difference on written down value of fixed assets	0.18	0.04	-	-	0.60	-
<b>Total</b>	<b>1.28</b>	<b>0.74</b>	<b>0.81</b>	<b>0.96</b>	<b>(0.44)</b>	<b>0.47</b>

**Annexure 15 - LONG-TERM LOANS AND ADVANCES**

Particulars	<i>(Amount in ₹ millions)</i>					
	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<i>(Unsecured considered good, unless otherwise stated)</i>						
Security deposits (*)	8.14	7.55	6.72	4.91	4.84	4.68
Minimum Alternate Tax credit entitlement	16.00	16.00	-	-	-	-
Capital advances	-	-	-	-	-	0.54
Balance with Income Tax authorities (net of provision for tax)	145.66	94.81	95.28	71.58	58.79	26.43
<b>Total</b>	<b>169.80</b>	<b>118.36</b>	<b>102.00</b>	<b>76.49</b>	<b>63.63</b>	<b>31.65</b>
(*) Includes amounts due from related parties (refer Annexure 34)	0.27	0.27	0.27	-	-	-

**Annexure 16 - OTHER NON-CURRENT ASSETS**

Particulars	<i>(Amount in ₹ millions)</i>					
	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Non-current bank balances (*) (denotes deposits with banks with maturity period more than 12 months from the reporting date)	22.84	-	23.79	10.16	17.30	8.00
Reimbursement right for gratuity	119.95	115.78	65.42	54.22	30.84	21.55
<b>Total</b>	<b>142.79</b>	<b>115.78</b>	<b>89.21</b>	<b>64.38</b>	<b>48.14</b>	<b>29.55</b>

(\*) includes deposits aggregating to ₹ 22.84 millions (31 March 2017 - ₹ Nil millions; 31 March 2016 - ₹ 19.79 millions; 31 March 2015 - ₹ Nil millions; 31 March 2014 - ₹ 14.30 millions; 31 March 2013 - ₹ Nil millions) under lien with banks against working capital facilities availed.

**Annexure 17 - TRADE RECEIVABLES**

Particulars	<i>(Amount in ₹ millions)</i>					
	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<i>(Unsecured considered good, unless otherwise stated)</i>						
Outstanding for a period exceeding six months from due date of payment	-	-	-	-	-	0.04
Others	520.30	602.37	422.03	368.97	257.25	183.45
<b>Total</b>	<b>520.30</b>	<b>602.37</b>	<b>422.03</b>	<b>368.97</b>	<b>257.25</b>	<b>183.49</b>

**GENIUS CONSULTANTS LIMITED**
**Annexure 18 - CASH AND BANK BALANCES**

Particulars	<i>(Amount in ₹ millions)</i>					
	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Cash and cash equivalents</b>						
Cash on hand	0.91	0.16	0.10	0.03	0.09	0.03
Balances with banks						
- in current accounts	315.96	176.88	214.06	106.27	93.11	108.40
<b>Other bank balances</b>						
Deposits with maturity of more than 3 months but less than 12 months from the reporting date (*)	136.07	158.86	82.40	66.07	31.12	15.27
<b>Total</b>	<b>452.94</b>	<b>335.90</b>	<b>296.56</b>	<b>172.37</b>	<b>124.32</b>	<b>123.70</b>

(\*) includes deposits aggregating to ₹ 77.44 millions (31 March 2017 - ₹ 93.59 millions; 31 March 2016 - ₹ 82.40 millions; 31 March 2015 - ₹ 29.57 millions; 31 March 2014 - ₹ 14.07 millions; 31 March 2013 - ₹ 15.27 millions) under lien with banks against working capital facilities availed.

**Annexure 19 - SHORT-TERM LOANS AND ADVANCES**

Particulars	<i>(Amount in ₹ millions)</i>					
	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<i>(Unsecured considered good, unless otherwise stated)</i>						
Staff advances	2.58	0.67	0.36	0.47	0.17	0.15
Prepaid expenses	7.52	8.40	-	-	-	-
Balance with revenue authorities	0.12	0.05	0.01	-	-	-
Other deposits	0.39	0.39	0.39	0.41	0.41	0.41
Advance recoverable in cash or in kind or for value to be received	6.91	0.20	-	-	0.74	0.00
<b>Total</b>	<b>17.52</b>	<b>9.71</b>	<b>0.76</b>	<b>0.88</b>	<b>1.32</b>	<b>0.56</b>

**Annexure 20 - OTHER CURRENT ASSETS**

Particulars	<i>(Amount in ₹ millions)</i>					
	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Interest accrued on fixed deposits	3.56	4.87	5.45	4.56	2.19	1.68
Unbilled revenue	317.56	116.58	104.74	70.53	74.79	33.83
Reimbursement right for gratuity	3.45	3.33	2.09	1.66	1.17	0.97
<b>Total</b>	<b>324.57</b>	<b>124.78</b>	<b>112.28</b>	<b>76.75</b>	<b>78.15</b>	<b>36.48</b>

GENIUS CONSULTANTS LIMITED

Annexure 21 - REVENUE FROM OPERATIONS

(Amount in ₹ millions)

Particulars	For the period/years ended					
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Sale of services</b>						
Manpower Recruitment and Outsourcing	6,572.73	7,627.21	6,042.77	5,008.12	4,274.65	3,386.31
Cargo Handling Services	22.00	40.75	54.08	70.08	70.16	69.58
Business Support Services	107.15	124.28	99.04	81.19	102.16	129.71
Facility Management Services	9.53	3.60	-	-	-	-
Other services	1.47	1.63	1.47	0.18	-	-
<b>Total</b>	<b>6,712.88</b>	<b>7,797.47</b>	<b>6,197.36</b>	<b>5,159.57</b>	<b>4,446.97</b>	<b>3,585.60</b>

GENIUS CONSULTANTS LIMITED

Annexure 22 - OTHER INCOME

(Amount in ₹ millions)

Particulars	For the period/years ended						Nature (Recurring /non- recurring)*	Related/not related to business activity
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013		
<b>Interest income</b>								
-On fixed deposits	6.19	8.54	7.58	6.10	3.50	1.23	Recurring	Related
- On income-tax refund	-	10.17	-	1.57	-	-	Non-recurring	Not related
- On others	0.04	0.11	-	0.06	0.02	0.63	Non-recurring	Not related
Gain on sale of fixed assets (net)	0.26	-	0.46	0.10	-	0.08	Non-recurring	Not related
Liabilities no longer required written back	-	-	0.24	-	-	-	Non-recurring	Not related
Miscellaneous income	0.18	-	-	-	-	0.00	Non-recurring	Not related
<b>Total</b>	<b>6.67</b>	<b>18.82</b>	<b>8.28</b>	<b>7.83</b>	<b>3.52</b>	<b>1.94</b>		

\* As determined by management, based on current operational and business activity of the Company.

GENIUS CONSULTANTS LIMITED

Annexure 23 - EMPLOYEE BENEFITS EXPENSE

(Amount in ₹ millions)

Particulars	For the period/years ended					
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Salaries, wages and bonus	5,712.85	6,639.12	5,260.29	4,401.22	3,697.48	3,063.26
Contributions to provident and other funds	526.96	574.68	455.81	379.18	340.52	267.43
Staff welfare expenses	7.77	9.44	10.47	5.79	4.83	4.21
<b>Total</b>	<b>6,247.58</b>	<b>7,223.24</b>	<b>5,726.57</b>	<b>4,786.19</b>	<b>4,042.83</b>	<b>3,334.90</b>

Annexure 24 - FINANCE COSTS

(Amount in ₹ millions)

Particulars	For the period/years ended					
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Interest expense						
On term loans	0.50	0.83	1.04	1.67	2.21	0.28
On working capital loans	4.24	5.36	4.05	2.97	2.27	1.26
On others	1.17	0.26	0.11	0.33	0.18	0.20
<b>Total</b>	<b>5.91</b>	<b>6.45</b>	<b>5.20</b>	<b>4.97</b>	<b>4.66</b>	<b>1.74</b>

Annexure 25 - DEPRECIATION AND AMORTISATION EXPENSE

(Amount in ₹ millions)

Particulars	For the period/years ended					
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Depreciation on property, plant and equipment - tangible assets (refer note 13(a))	5.31	8.19	8.77	9.89	6.04	2.34
Amortisation of intangible assets (refer note 13(b))	0.44	0.58	0.71	0.42	0.13	0.08
<b>Total</b>	<b>5.75</b>	<b>8.77</b>	<b>9.48</b>	<b>10.31</b>	<b>6.17</b>	<b>2.42</b>

**GENIUS CONSULTANTS LIMITED**
**Annexure 26 - OTHER EXPENSES**
*(Amount in ₹ millions)*

Particulars	For the period/years ended					
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Travelling and conveyance	277.31	282.55	228.44	190.65	255.46	139.00
Rent	11.92	16.39	12.56	10.63	9.92	12.71
Maintenance charges	3.32	4.75	3.28	2.26	2.74	2.33
Insurance charges	15.26	11.47	15.35	7.86	7.17	5.58
Rates and taxes	2.61	5.15	6.94	0.38	0.93	1.96
Service charges	7.71	9.58	8.31	10.92	8.99	12.63
Telephone expenses	3.51	4.17	3.09	2.83	2.70	2.79
Electricity charges	3.62	4.34	3.32	3.33	2.44	2.02
Printing and stationery	1.34	2.79	2.53	1.84	1.93	1.19
Brokerage	-	0.37	0.25	0.08	0.11	-
Bank charges	0.83	1.24	1.18	0.30	0.80	0.52
Postage and courier charges	0.77	1.24	1.12	1.19	1.02	0.98
Business promotion expenses	0.81	1.07	0.95	1.02	0.69	0.77
Auditors' remuneration						
- For statutory audit	0.98	0.15	0.13	0.10	0.08	0.05
- For tax audit	-	0.05	0.03	0.03	0.03	0.02
- For other services	0.01	0.06	0.03	0.02	0.04	0.04
Expenditure for CSR activities	3.51	2.64	1.94	1.44	-	-
Loss on sale of fixed assets (net)	-	0.13	-	-	0.14	-
Legal and professional fees	0.66	0.06	0.13	-	-	-
Director sitting fees	0.06	0.15	0.08	-	-	-
Membership and subscription	0.85	0.99	1.45	0.37	0.41	0.14
Miscellaneous expenses	1.31	2.21	2.20	2.24	2.64	2.01
<b>Total</b>	<b>336.39</b>	<b>351.55</b>	<b>293.31</b>	<b>237.49</b>	<b>298.24</b>	<b>184.74</b>

**GENIUS CONSULTANTS LIMITED**  
**RESTATED SUMMARY STATEMENT OF NOTES TO RESTATED FINANCIAL INFORMATION**

**Annexure 27 - CONTINGENT LIABILITY**

Contingent liability (under litigation), not acknowledged as debt, include: (to the extent not provided for)	<i>(Amount in ₹ millions)</i>					
	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Disputed Employees State Insurance	1.50	1.50	1.50	1.59	2.01	2.01
Service tax matters	14.07	-	-	-	-	-
<b>Total</b>	<b>15.57</b>	<b>1.50</b>	<b>1.50</b>	<b>1.59</b>	<b>2.01</b>	<b>2.01</b>

**Annexure 28 - CAPITAL COMMITMENTS**

	<i>(Amount in ₹ millions)</i>					
	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Estimated amount of contracts remaining to be executed on capital account (net of advances)	12.50	-	-	-	-	-
<b>Total</b>	<b>12.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure 29 - EXPENDITURE IN FOREIGN CURRENCY**

Particulars	<i>(Amount in ₹ millions)</i>					
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Travelling expenses	0.44	0.56	0.57	0.24	0.71	0.30
<b>Total</b>	<b>0.44</b>	<b>0.56</b>	<b>0.57</b>	<b>0.24</b>	<b>0.71</b>	<b>0.30</b>

**Annexure 30 - CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. The CSR Committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives, however, the committee expects finalization of such proposals in due course. Below is the disclosure in respect of same:-

Description	<i>(Amount in ₹ millions)</i>					
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Amount that the Company was to spend as per provisions of Sec 135 of the Companies Act 2013	2.63	2.64	1.94	1.44	-	-
Contribution made by the Company	3.51	2.64	1.94	1.44	-	-

**Annexure 31 -Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016**

Particulars	<i>(Amount in ₹ millions)</i>			
	SBNs	Other denomination notes	Total	
Closing cash on hand as on 08.11.16	1.52	0.66	2.18	
(+) Permitted receipts	-	0.30	0.30	
(-) Permitted payments	-	0.61	0.61	
(-) Amount deposited in Banks	1.52	-	1.52	
Closing cash on hand as on 30.12.16	-	0.35	0.35	

\* SBN means old INR 1,000 and INR 500 notes which got discarded as legal tender w.e.f. 8th November, 2016

**Annexure 32 - SEGMENT REPORTING**

**(a) Business Segment**

The Company is primarily engaged in the business of providing manpower services. The business segments are classified into the following broad categories:

- (i) Staffing and Allied Services - comprises of Staffing Operations, Temporary Recruitment and Payroll
- (ii) Other Services - comprises of Permanent Recruitment, Background Verification etc.

Since the segment revenue, segment result and segment assets from 'Other Services' segment does not exceed 10% of the total revenue, total profit/loss and total assets of the Company, there are no reportable segments in context of Accounting Standard 17, 'Segment Reporting'.

**(b) Geographical Segment**

The Company operates in one geographic segment namely 'within India' and hence no separate information for geographic segment wise disclosure is required.

**Annexure 33 - LEASES**

The Company has entered into operating lease agreements for few office facilities and such leases are basically cancellable in nature. The lease payments under operating leases have been recognised as an expense in the Statement of Profit and Loss.

	<i>(Amount in ₹ millions)</i>					
	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Lease Rent	11.92	16.39	12.56	10.63	9.92	12.71
	<b>11.92</b>	<b>16.39</b>	<b>12.56</b>	<b>10.63</b>	<b>9.92</b>	<b>12.71</b>

GENIUS CONSULTANTS LIMITED

Annexure 34 - RELATED PARTY TRANSACTIONS AND BALANCES

A. Related Party relationships

List of related parties:

	Particulars	For the period/years ended					
		1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
1	<b>Key managerial personnel (KMP)</b>	Rajendra Prasad Yadav (Managing Director) Reeta Yadav (Director) Rashmi Yadav (Wholetime Director)  Pritika Yadav (Wholetime Director)  Swapnesh Kumar (Wholetime Director)  Indrajit Poddar (Company secretary - appointed on 19 April 2016)  Saurabh Sett - Chief Financial Officer (appointed w.e.f 15 September 2017)	Rajendra Prasad Yadav (Managing Director) Reeta Yadav (Director) Rashmi Yadav (Wholetime Director)  Pritika Yadav (Wholetime Director)  Swapnesh Kumar (Wholetime Director)  Indrajit Poddar (Company secretary - appointed on 19 April 2016)	Rajendra Prasad Yadav (Managing Director) Reeta Yadav (Director) Rashmi Yadav (Wholetime Director)  Pritika Yadav (Wholetime Director)  Swapnesh Kumar (Wholetime Director - appointed on 01 April 2015)	Rajendra Prasad Yadav (Managing Director) Reeta Yadav (Director) Rashmi Yadav (Wholetime Director)  Pritika Yadav (Wholetime Director)	Rajendra Prasad Yadav (Managing Director) Reeta Yadav (Director) Rashmi Yadav (Wholetime Director)  Pritika Yadav (Wholetime Director)	Rajendra Prasad Yadav (Managing Director) Reeta Yadav (Director) Rashmi Yadav (Wholetime Director)  Pritika Yadav (Wholetime Director)
2	<b>Relatives of KMP (with whom transactions have taken place during the year)</b>	Nil	Nil	Nil	Swapnesh Kumar-Spouse of Rashmi Yadav	Swapnesh Kumar-Spouse of Rashmi Yadav	Swapnesh Kumar-Spouse of Rashmi Yadav

GENIUS CONSULTANTS LIMITED

Annexure 34 (Cont'd)

(Amount in ₹ millions)

S.No	Particulars	For the period/years ended					
		1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
1)	<b><u>Transactions during the period/years</u></b>						
	<u>Remuneration</u>						
	Rajendra Prasad Yadav	6.75	4.20	4.20	3.00	3.00	2.40
	Reeta Yadav	-	2.20	2.40	2.40	1.80	1.20
	Rashmi Yadav	1.12	1.42	1.24	1.04	1.01	0.86
	Pritika Yadav	0.81	1.21	1.07	0.85	0.72	0.58
	Swapnesh Kumar	1.24	1.49	1.37	1.17	1.00	0.85
	Indrajit Poddar	0.19	0.23	-	-	-	-
	Saurabh Sett	0.67	-	-	-	-	-
	<u>Rent paid</u>						
	Rajendra Prasad Yadav	0.83	1.07	0.61	-	-	-
	<u>Contribution to provident fund</u>						
	Rajendra Prasad Yadav	0.02	0.02	0.02	0.02	0.01	0.01
	Reeta Yadav	-	0.02	0.02	0.02	0.01	0.01
	Rashmi Yadav	0.02	0.02	0.02	0.02	0.01	0.01
	Pritika Yadav	0.02	0.02	0.02	0.02	0.01	0.01
	Swapnesh Kumar	0.02	0.02	0.02	0.02	0.01	0.01
	Indrajit Poddar	0.01	0.01	-	-	-	-
	Saurabh Sett	0.01	-	-	-	-	-
	<u>Dividend paid</u>						
	Rajendra Prasad Yadav	12.23	-	9.61	3.49	2.10	2.10
	Reeta Yadav	5.84	-	4.59	1.67	1.00	1.00
	Rashmi Yadav	0.03	-	0.02	0.01	0.01	0.01
	Pritika Yadav	0.00	-	0.00	0.00	0.00	0.00
	Swapnesh Kumar	0.00	-	0.00	0.00	0.00	0.00

S.No	Particulars	As at					
		31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
2)	<b><u>Balances with related parties at period/year end</u></b>						
	<u>Receivables</u>						
	<u>Security deposit</u>						
	Rajendra Prasad Yadav	0.27	0.27	0.27	-	-	-
	<u>Payables</u>						
	<u>Remuneration payable</u>						
	Rajendra Prasad Yadav	-	-	0.30	-	-	-
	Reeta Yadav	-	-	0.19	-	-	-
	Rashmi Yadav	-	-	0.09	-	-	-
	Pritika Yadav	-	-	0.08	-	-	-
	Swapnesh Kumar	-	-	0.09	-	-	-

GENIUS CONSULTANTS LIMITED

Annexure 35 - STATEMENT OF CAPITALISATION

(Amount in ₹ millions)

Particulars	Pre - Issue (As at 31 December 2017)	Post - Issue*
<b>Borrowings:</b>		
Short-term borrowings	110.33	-
Current maturities of long-term borrowings	2.14	-
Long-term borrowings (A)	4.58	-
<b>Total borrowing (B)</b>	<b>117.05</b>	-
<b>Shareholders' fund (Net worth)</b>		
Share capital	181.13	-
Reserves and surplus	449.32	-
<b>Total shareholders' fund (Net worth) (C)</b>	<b>630.45</b>	-
<b>Long-term borrowings/shareholders' fund (Net worth) ratio (A/C)</b>	0.01	-
<b>Total borrowing/shareholders' fund (Net worth) ratio (B/C)</b>	0.19	-

\* These amounts (as adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

**Notes:**

1. Short-term borrowings and current maturities of long term borrowings are debts which are due for repayment within 12 months from 31 December 2017.
2. Long-term borrowings are considered as borrowings other than short-term borrowings and current maturities of long term borrowings.
3. The amounts disclosed above are based on the Restated Financial Information of the Company.

**GENIUS CONSULTANTS LIMITED**
**Annexure 36 - SUMMARY STATEMENT OF TAX SHELTER**
*(Amount in ₹ millions)*

Particulars	For the period/years ended					
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Profit before tax, as restated (A)</b>	<b>123.92</b>	<b>226.28</b>	<b>171.08</b>	<b>128.44</b>	<b>98.59</b>	<b>63.74</b>
Tax rate - statutory rate (B)	33.06%	33.06%	34.61%	33.99%	32.45%	32.45%
Minimum Alternate Tax (MAT) [including applicable surcharge and education cess] (C)	21.34%	21.34%	21.34%	20.96%	20.01%	20.01%
<b>Tax as per actual rate on profits (D = A*B)</b>	<b>40.97</b>	<b>74.82</b>	<b>59.21</b>	<b>43.66</b>	<b>31.99</b>	<b>20.68</b>
<b>Adjustments:</b>						
<b>Permanent differences</b>						
Interest on delay in payment of statutory dues	0.83	0.24	0.03	0.34	0.25	0.05
Penalty on indirect taxes	-	1.49	0.38	-	-	-
Expense for increase in authorised share capital	-	1.35	0.23	-	0.08	-
Expense disallowed under section 37(2)	-	1.04	-	-	-	-
Corporate social responsibility expenses	3.51	2.64	1.94	1.44	-	-
Others	(0.29)	0.40	(0.32)	(0.04)	0.18	(0.05)
<b>Total permanent differences (E)</b>	<b>4.05</b>	<b>7.16</b>	<b>2.26</b>	<b>1.74</b>	<b>0.51</b>	<b>0.00</b>
<b>Timing differences</b>						
Difference between book depreciation and tax depreciation	(0.01)	(0.41)	0.55	2.24	(0.56)	(0.02)
Gratuity and compensated absences under section 43B	1.84	0.81	-	-	-	-
<b>Total timing differences (F)</b>	<b>1.83</b>	<b>0.40</b>	<b>0.55</b>	<b>2.24</b>	<b>(0.56)</b>	<b>(0.02)</b>
<b>Deductions</b>						
U/s 35D of Income Tax Act, 1961	-	-	-	0.03	0.03	0.02
U/s 80JJAA of Income Tax Act, 1961	32.24	134.31	-	-	-	-
<b>Total deductions (G)</b>	<b>32.24</b>	<b>134.31</b>	<b>-</b>	<b>0.03</b>	<b>0.03</b>	<b>0.02</b>
Total adjustments (H=E+F-G)	(26.36)	(126.75)	2.81	3.95	(0.08)	(0.04)
Tax on adjustments (I=H*B)	(8.72)	(41.91)	0.97	1.34	(0.02)	(0.01)
Taxable restated profit (J=A+H)	97.56	99.53	173.89	132.39	98.51	63.70
<b>Tax liability on taxable profits (K=J*B)</b>	<b>32.26</b>	<b>32.91</b>	<b>60.18</b>	<b>45.00</b>	<b>31.96</b>	<b>20.67</b>
<b>Adjusted book profits under MAT (L)</b>	<b>123.92</b>	<b>226.47</b>	<b>169.96</b>	<b>129.81</b>	<b>64.56</b>	<b>64.66</b>
<b>MAT liability on restated profits (M=L*C)</b>	<b>26.45</b>	<b>48.33</b>	<b>36.27</b>	<b>27.21</b>	<b>12.92</b>	<b>12.94</b>
<b>Tax liability higher of (K) and (M) (N)</b>	<b>32.26</b>	<b>48.33</b>	<b>60.18</b>	<b>45.00</b>	<b>31.96</b>	<b>20.67</b>
<b>MAT credit entitlement (O=N-K)</b>	<b>-</b>	<b>15.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tax expense as per the Restated Summary Statement of Profit and Loss</b>	<b>30.00</b>	<b>48.50</b>	<b>60.00</b>	<b>46.00</b>	<b>31.11</b>	<b>21.00</b>
<b>MAT credit as per the Restated Summary Statement of Profit and Loss</b>	<b>-</b>	<b>16.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes :**

1. Statutory tax rate includes applicable surcharge, education cess and higher education cess of the respective years.
2. The Statement of Tax Shelter has been prepared as per the Restated Financial Information of the Company.
3. Figures for the nine month period ended 31 December 2017 have been derived from the provisional computation of total income prepared by the Company.
4. Statutory tax rate includes applicable surcharge, education cess and higher secondary education cess as of the period/year concerned.

**GENIUS CONSULTANTS LIMITED**
**Annexure 37 - STATEMENT OF ACCOUNTING RATIOS**
*(Amount in ₹ millions)*

Particulars	As at					
	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>A</b> Net worth, as restated	630.44	557.78	361.76	261.73	185.41	124.99
<b>B</b> Net profit after tax, as restated	94.46	196.02	110.93	83.03	66.48	43.65
<b>Weighted average number of equity shares outstanding during the period/years</b>						
<b>C</b> For basic earnings per share	18,112,500	18,112,500	18,112,500	18,112,500	18,112,500	18,112,500
<b>D</b> For diluted earnings per share	18,112,500	18,112,500	18,112,500	18,112,500	18,112,500	18,112,500
<b>E</b> Number of shares outstanding at the end of the year	18,112,500	18,112,500	6,037,500	3,450,000	3,450,000	2,070,000
<b>F</b> Restated basic earnings per share (₹) (B/C)	5.21	10.82	6.12	4.58	3.67	2.41
<b>G</b> Restated diluted earnings per share (₹) (B/D)	5.21	10.82	6.12	4.58	3.67	2.41
<b>H</b> Return on net worth (%) (B/A)	14.98%	35.14%	30.66%	31.72%	35.85%	34.92%
<b>I</b> Net assets value per share of ₹ 10 each (A/E)	34.81	30.80	59.92	75.87	53.74	60.38
<b>J</b> Face value of equity shares (₹)	10	10	10	10	10	10

**Notes:**

1 The ratio has been computed as below:

Basic earnings per share (₹) =	$\frac{\text{Net profit after tax, as restated}}{\text{Weighted average number of equity shares outstanding during the year}}$
Diluted earnings per share (₹) =	$\frac{\text{Net profit after tax, as restated}}{\text{Weighted average number of potential equity shares outstanding during the year}}$
Return on net worth (%) =	$\frac{\text{Net profit after tax, as restated}}{\text{Net worth, as restated}}$
Net asset value per share (₹) =	$\frac{\text{Net worth, as restated}}{\text{Number of equity shares outstanding as at year end}}$

2 Earning per shares (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earnings per share' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

3 The amounts disclosed above are based on the Restated Financial Information of the Company.

4 The issue of bonus shares is an issue without consideration, hence the issue is treated as if it had occurred prior to the beginning of the year 2012-13, i.e the earliest period reported.

5 Ratios for the nine month period ended 31 December 2017 have not been annualised.

**GENIUS CONSULTANTS LIMITED**

**Annexure 38 - STATEMENT OF DIVIDEND**

*(Amount in ₹ millions)*

Particulars	For the period/years ended					
	1 April 2017 to 31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>A</b> No. of equity shares at the time of declaration of the dividend	18,112,500	18,112,500	6,037,500	3,450,000	3,450,000	2,070,000
<b>B</b> Average outstanding shares at the time of declaration of dividend	18,112,500	18,112,500	6,037,500	3,450,000	3,450,000	2,070,000
<b>C</b> Face value of each (₹)	10	10	10	10	10	10
<b>D</b> Final dividend per equity share(Amount in ₹)	-	1	1.50	1.50	1.50	1.50
<b>E</b> Interim dividend	-	-	9.06	-	-	-
<b>F</b> Final/Interim dividend (%)	-	10%	15%	15%	15%	15%
<b>G</b> Total proposed dividend	-	18.11	-	5.18	5.18	3.11
<b>H</b> Total interim dividend	-	-	-	-	-	-
<b>I</b> Dividend tax on proposed dividend	-	3.69	-	1.06	0.88	0.53
<b>J</b> Dividend tax on interim dividend	-	-	1.83	-	-	-

## 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 Information, prepared in accordance with the Companies Act and the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Information" on page 147 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the Restated Financial information Company.*

*Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IndAS, IFRS or U.S. GAAP on the annual financial information for nine months ended December 31, 2017 and Fiscals 2017, 2016 and 2015 included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our Restated Financial Information to those of IndAS, U.S. GAAP or IFRS. Accordingly, the degree to which the Restated Financial Information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act 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 the section "Risk Factors" on page 14 of this Draft Red Herring Prospectus.*

### Overview

We are one of the leading providers of human resources ("HR") solutions in India by market share in fiscal 2017 and we have one of the highest revenue per associate ratio (*Source: CRISIL Report, March 2018*). We provide a broad range of HR solutions to clients, including marquee clients, such as Bharti Airtel, Bosch, Hathway Cable and Datacom ("**Hathway**"), Tata Consultancy Services ("**TCS**") and PayTM, among others. Our comprehensive HR solutions covering the life-cycle of the HR solutions value chain include permanent and flexi staffing solutions, payroll processing, compliance management, background checks and verification services, HR management services ("**HRMS**") (collectively, "**HR Solutions**") and FMS as well as sale of HR software.

We are focused on providing consultancy services to clients in the sphere of HR solutions, including providing placement opportunities to job seekers and customized solutions to our corporate clients. We help our corporate clients source middle and senior level personnel through our permanent staffing solutions, while our flexi staffing solutions outsource associates on a temporary basis, allowing our clients to focus on core areas of their business and operations. Permanent and flexi staffing solutions, together, contributed to 95.13% and 95.19% of our revenue from operations for the nine months ended December 31, 2017 and fiscal 2017, respectively. Our core competencies include permanent and flexi staffing solutions through which, we had placed over 250,000 Associates since 2001 until February 5, 2018 and over 975 Professionals through our permanent staffing solutions in the last three fiscals, until February 5, 2018. Further, as on February 5, 2018, there were over 50,000 Associates on our rolls who have been placed by us with various clients pursuant to our flexi staffing solutions.

We are an established player in the HR Solutions industry in India having commenced our operations in 1993 as a provider of permanent staffing solutions. Over time, we have diversified into various HR Solutions covering flexi staffing solutions, payroll processing, compliance management, background checks and verification services, HRMS and FMS as well as sale of HR software over a period of 24 years. We further plan to foray into security services and HR business process outsourcing ("**HR BPO**"). As on February 5, 2018 we were catering to over 800 clients through over 1,100 contracts executed with such clients for providing various HR Solutions to them. Our clients span various industries including telecommunications, IT, logistics, infrastructure, engineering, fast moving consumer goods ("**FMCG**"), retail and pharmaceuticals, among others. As of February 5, 2018 we were managing payroll processing for over 90 clients, conducting compliance management for over 100 clients and undertaking background checks for over 230 clients.

Our Company is promoted by Mr. Rajendra Prasad Yadav, who has over two decades of experience in the HR services industry and Ms. Reeta Yadav, who have been instrumental in our growth. Our senior management comprises individuals, including national heads who lead the different verticals within our HR Solutions offerings, with significant experience in the HR services industry and who have been associated with our Company on an average for 15 years.

We have a pan-India presence through 15 branch and area offices across 14 states, including our Registered and Corporate Office at Kolkata, covering over 950 locations across the country as on February 5, 2018. We are present across major cities in India, including Kolkata, Delhi, Mumbai, Chennai, Bengaluru and Hyderabad, among others.

Our information technology (“IT”) department comprises 34 employees, as on February 5, 2018, and is headed by our IT national head, who has been associated with our Company for 15 years. Our IT department has been instrumental in developing our in-house software for our HR Solutions, in respect of which we have filed an application dated March 8, 2018 with the Registrar of Copyrights, Delhi for registration of copyright. Our IT department helps us customize our IT systems as per our internal requirements as well as any specific requirements prescribed by our clients. Further, our information security management system, which has been certified to be compliant with ISO/IEC 27001:2013 standards, allows us to respond faster to our clients and Associates, including in respect of salary disbursements. We have also established a PF Trust, which, pursuant to a notification dated May 14, 2015 issued by the Ministry of Labour and Employment, Government of India (“MoLE”), is exempt from the operation of EPF Act, in respect of receiving deposit of employee provident fund (“EPF”) contributions for our employees. This enables quicker processing of settlement claims for dissociated employees. For further details, see “*Our Business – Human Resources*” on page 116.

Our total revenue for the nine months ended December 31, 2017 and fiscals 2017, 2016 and 2015 was ₹ 6,719.55 million, ₹ 7,816.29 million, ₹ 6,205.64 million and ₹ 5,167.40 million, respectively, and our profit after tax for the corresponding period was ₹ 94.46 million, ₹ 196.02 million, ₹ 110.93 million and ₹ 83.03 million, respectively. Further, for the nine months ended December 31, 2017 and fiscals 2017, 2016 and 2015, our EBITDA was ₹ 128.91 million, ₹ 222.68 million, ₹ 177.93 million and ₹ 135.89 million, respectively. Our total revenue and profit after tax grew at a CAGR of 21.44% and 45.57%, respectively, between fiscal 2013 and fiscal 2017.

### **Significant Factors Affecting Our Results of Operations and Financial Condition**

Our business and results of operations are affected by a number of significant factors including:

#### ***Our ability to scale up our HR Solutions business***

Our comprehensive HR solutions covering the life-cycle of the HR solutions value chain include permanent and flexi staffing solutions, payroll processing, compliance management, background checks and verification services, HRMS and FMS as well as sale of HR software. We are an established player in the HR Solutions industry in India having commenced our operations in 1993 as a provider of permanent staffing solutions. However, our core staffing business is a low margin business that relies on scale and volumes for overall profitability. We believe that we have the operational and technological infrastructure in place to continue to scale up our operations. We also intend to pursue strategic acquisitions that will enable us to leverage our existing assets and offer our clients more comprehensive and attractive services. We intend to enhance and expand our presence in both existing and new target industries, as well as expand our HR Solutions. To increase our revenue and cash flows, we must regularly add new clients. If we are unable to generate sufficient sales leads through our marketing programs, or if our existing or new clients do not perceive our services to be of sufficiently high value and quality, we may not be able to increase sales and our operating results would be adversely affected.

Strategic acquisitions could also enable us to establish a foothold in newer sectors such as IT given the specialized human resources needs of such sectors. If we are able to conclude such acquisitions, we will be able to move up the value chain and enter a more profitable segment of the staffing services market thereby improving the results of our operations further. On the other hand, failure to enter high margin sectors will adversely affect our business strategy and our future results of operations. We also continue to explore ways to improve our processes and systems and strengthen our operational infrastructure, enabling us to achieve operation excellence, particularly in our ability to identify the right human resources and to provide our clients consistently high levels of quality and reliability. Our overall operational targets remain to improve Associate paid on-time levels and to maintain and improve our service levels to our clients in terms of quality and reliability. We believe that performing well on these operational metrics will drive our revenue growth as well as improve our profitability.

#### ***Employee benefits expenses, employee relations and employment regulatory regime in India***

Our business is labour intensive and employee benefit expenses constituted the largest component of our total expenses, i.e. ₹ 6,247.58 million, ₹ 7,223.24 million, ₹ 5,726.57 million and ₹ 4,786.19 million or 94.72%, 95.17%, 94.90% and 94.98%, of our total expenses for nine months ended December 31, 2017, fiscals 2017, 2016

and 2015, respectively. We employ a large workforce of 50,449 employees as of February 5, 2018 including 392 core employees and 50,057 Associates. In addition to the risk of increasing employee benefits cost which can adversely impact our results of operations, there are inherent risks involved in managing such a large workforce which includes possible discrimination and harassment claims for physical or sexual abuse, and other acts allegedly committed by our employees or agents, wrongful termination, violation of employment rights and minimum wage requirements, criminal activity or any other claims. We are also subject to the risk of attrition as high attrition rate would have a direct and adverse impact on our operations and business conditions. While we try to engage with our employees and Associates to retain them, we cannot assure that we will be successful in retention of our workforce.

The staffing services sector is subject to complex laws and regulations, 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 benefit, licensing or tax requirements that could reduce our revenues and earnings. Alternatively, labour law reforms can expand the market for our services and have a favourable effect on our result of operations.

Since our business success depends on our reputation, adverse publicity could impact the demand for our services. Further, increases in our employee benefits payment obligations, whether as a result of a negotiated increase by our employees or due to changes in applicable laws, including minimum wage laws, which we are unable to pass on to our customers, in a timely manner, or at all, could have a significant impact on our total expenses and consequently our financial condition. In addition, we rely on our employees to render services at our clients' premises and in the event our employee relationships deteriorate or if we experience labour unrest, strikes and other labour action, there could be an adverse impact on our delivery of services to customers.

#### ***Growth of our FMS, HR BPO and security services businesses***

We offer a wide variety of services, which are relatively new to our portfolio. Although we have experienced significant growth in recent years and expect our business to further grow as a result of the increase in focus on client acquisition and business development and increasing our presence in specified product markets. We intend to increase penetration in placing non-IT skilled Associates and foray into placement of IT-skilled Associates, facility management services, compliance management, HRMS and payroll software verticals and enter into verticals such as HR BPO and security services, which we believe are relatively high margin businesses compared to the permanent and temporary staffing verticals, which contribute significantly to our revenue at present. However, as a result of intense price competition in the general staffing business, gross margins in our staffing business are lower, and we expect them to continue to be lower in the future. These strategic initiatives may require significant capital and other resources, as well as management attention, which could place a burden on our resources and abilities. We have recently diversified into these business verticals and may not be able to properly assess the risks, economic viability and prospects of such opportunities. As a result, we may not be successful in developing these businesses to the extent of and in accordance with our plans and strategies and there can be no assurance relating to any revenues from or profitability of such business opportunities we intend to pursue.

The process of launching new businesses requires long-term investments and commitment of significant resources before knowing whether these investments will eventually result in businesses that achieve customer acceptance and generate the revenues required to provide desired returns. We are leveraging our existing branch and customer network in India to further grow and support our relatively new businesses and to deepen our presence by increasing our service offerings. Our future success depends, in part, on our ability to develop and grow these new businesses and offer services that are in line with customer requirements.

#### ***Inorganic growth through strategic acquisitions***

As a part of our growth strategy, we believe that strategic investments and acquisitions of businesses engaged in the HR services industry may act as an enabler of growing our business. Accordingly, while we continue to maintain our thrust on organic growth, we intend to explore inorganic growth opportunities that will enable us to leverage our existing assets and offer our clients more comprehensive and attractive services. According to the CRISIL Report, the staffing industry in India highly fragmented, with only seven leading players having market shares of 1%-6%. We continue to consider acquisition opportunities that will help us consolidate in this fragmented market and increase our market share in the overall HR services industry and specifically in the IT industry.

However, acquisitions involve a significant number of challenges, including, the financial impact of the historical liabilities of potential acquisitions, the challenges arising from the integration of the management and personnel of the acquired business, potential issues in relation to migrating or retaining existing customers of the acquired business and local law factors and risks associated with restructuring operations. While we believe that the effect of our acquisitions and the consolidation of the acquired entity's financial results in our financial statements will strengthen our financial performance, we may be unable to fully realize the anticipated benefits of any future acquisitions successfully within our expected timeframe.

### ***The macroeconomic cycle***

Demand for staffing services is significantly affected by the general level of economic activity and economic conditions in the various 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, as the use of temporary employees may decrease or fewer permanent employees may be hired. For example, a downturn in the telecom sector or manufacturing industry can have an adverse impact on our business conditions. Many of the Company's top clients are multi-national corporations, and thereby a downturn in the global markets may too affect their operations in India. When economic activity increases, temporary employees or contract workers are often added before full-time employees are hired. During period of economic downturn, however, many companies reduce their use of temporary employees before laying off full-time employees. However it is also possible that during periods of temporary economic downturn, companies choose to engage temporary workforce as opposed to permanent employees. We could experience more competitive pricing pressure during periods of economic downturn. Also, declining unemployment levels can make it harder for us to identify Associates to place with our clients.

### ***Competition***

The staffing services market is highly fragmented and competitive. We compete in national, regional and local markets with full-service and specialized temporary staffing companies. Several competitors, including the Indian affiliates or India-based operations of global industry leaders such as Adecco S.A., Manpower Inc., Randstad Holding N.V. and Kelly Services and Indian human resources companies such as TeamLease Services Limited, Quess Corp Limited and Innovsource Private Limited, have substantial marketing and financial resources at their disposal. We also face competition from various local regional players. Price competition in the staffing industry is intense, particularly for qualified industrial personnel. We expect that the level of competition will remain high, which could limit our ability to maintain or increase our market share or profitability. We also face the risk that our current or prospective clients may decide to provide similar services internally or use independent contractors. 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. We expect competition levels to remain high, which could constrain our ability to maintain or increase our market share or profitability.

### **Critical Accounting Policies**

#### ***Use of estimates***

The preparation of the financial statements requires management to make estimates and assumptions that affect the reportable balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amount of income and expenses during the period. Examples of such estimates include provisions for doubtful loans and advances, future obligations under employee retirement benefit plans, income taxes, classification of assets and liabilities into current and non-current and the useful lives of fixed assets.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### ***Property, Plant and Equipment - Tangible Assets***

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its

intended use. Subsequent expenditures, if any, related to an item of fixed assets are added to its book value only if they increase the future benefits from existing asset beyond its previously assessed standard of performance.

### ***Intangible assets and amortization***

Intangible assets are stated at cost less accumulated amortization. Intangible assets are amortized over a period of five years.

### ***Depreciation***

Depreciation is calculated on written down value method over the useful lives of assets prescribed under Schedule II of the Act. In respect of additions, depreciation is provided on pro rata basis from the date of acquisition/installation. Written down value of all assets acquired prior to April 1, 2014 are being depreciated over their remaining useful life as prescribed in Schedule II of the Act.

Depreciation in respect of financial years ended March 31, 2013 and March 31, 2014 have been calculated on written down value method over the useful life of assets prescribed under Schedule XIV of Companies Act, 1956.

### ***Revenue recognition***

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably estimated and collectability is reasonably assured. The amount recognized as revenue is exclusive of taxes.

Revenue from sale of manpower services is accounted on accrual basis on performance of the service agreed in the contract between our Company and our customer. Revenue from recruitment services, payroll processing, background verification etc. is recognized on accrual basis upon execution of the service.

### ***Other income***

Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Interest on tax refunds is recognized on actual receipt of the refund money or on communication from the income tax department, whichever is earlier.

### ***Borrowing costs***

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## **Results of Operations**

### **Revenue**

Our total revenue comprises of our revenue from operations and other income. Our revenue from operations includes our revenue from manpower recruitment and outsourcing services, revenue from cargo handling services, revenue from business support services, revenue from facility management services and revenue from other services. The following table shows our revenue from operations and other income:

*(₹ in million, except percentages)*

Service	Nine months ended December 31, 2017		Fiscal 2017		Fiscal 2016		Fiscal 2015	
	Amount (₹ in million)	% of Revenue from operations (%)	Amount (₹ in million)	% of Revenue from operations (%)	Amount (₹ in million)	% of Revenue from operations (%)	Amount (₹ in million)	% of Revenue from operations (%)
Manpower recruitment and outsourcing	6,572.73	97.91	7,627.21	97.82	6,042.77	97.51	5,008.12	97.07
Cargo handling services	22.00	0.33	40.75	0.52	54.08	0.87	70.08	1.36
Business support services	107.15	1.60	124.28	1.59	99.04	1.60	81.19	1.57
Facility management Services	9.53	0.14	3.60	0.05	-	-	-	-
Other services	1.47	0.02	1.63	0.02	1.47	0.02	0.18	Negligible
<b>Revenue from operations</b>	<b>6,712.88</b>	<b>100.00</b>	<b>7,797.47</b>	<b>100.00</b>	<b>6,197.36</b>	<b>100.00</b>	<b>5,159.57</b>	<b>100.00</b>
<b>Other Income</b>	<b>6.67</b>	<b>-</b>	<b>18.82</b>	<b>-</b>	<b>8.28</b>	<b>-</b>	<b>7.83</b>	<b>-</b>
<b>Total revenue</b>	<b>6,719.55</b>	<b>-</b>	<b>7,816.29</b>	<b>-</b>	<b>6,205.64</b>	<b>-</b>	<b>5,167.40</b>	<b>-</b>

### *Revenue from operations*

Our revenue from operations are generated from (i) manpower recruitment and outsourcing services, (ii) cargo handling services, (iii) business support services, (iv) facility management services and (v) other services. Revenue from manpower recruitment and outsourcing services is our primary source of revenue from operations.

### *Revenue from manpower recruitment and outsourcing services*

Our revenue from sale of manpower recruitment and outsourcing services accounted for 97.91%, 97.82%, 97.51% and 97.06% of our revenue from operations for the nine months period ended December 31, 2017, fiscal 2017, fiscal 2016 and fiscal 2015, respectively. Our revenue from our manpower recruitment and outsourcing services include fees received from the permanent staffing solutions, flexi staffing solutions, compliance management, background checks and verification, HR management solutions and payroll processing provided by us to our clients across India.

### *Revenue from cargo handling services*

Our revenue from sale of cargo handling services accounted for 0.33%, 0.52%, 0.87% and 1.36% of our revenue from operations for the nine months period ended December 31, 2017, fiscal 2017, fiscal 2016 and fiscal 2015, respectively. Our revenue from cargo handling services includes fees received pursuant to a cargo handling services agreement entered into with one of our clients who is engaged in providing commodity based services. Pursuant to this agreement, we are responsible for deputing Associates at the client's organisation for fixed periods of time and in accordance with the requirements of our client and we receive a one-time fee as well as a fixed monthly fee per Associate deputed. Further, the agreement provides for fixed rate of compensation to our Company in the event any Associate is absorbed by such client.

### *Revenue from business support services*

Our revenue from sale of business support services accounted for 1.60%, 1.59%, 1.60% and 1.57% of our revenue from operations for the nine months period ended December 31, 2017, fiscal 2017, fiscal 2016 and fiscal 2015, respectively. Our revenue from business support services includes fees received pursuant to a business support services agreement entered into with one of our clients. Pursuant to this agreement, we provide support services in relation to certain marketing, sales and promotional activities, either itself, or through our employees or consultants.

### *Revenue from facility management services*

We commenced facility management services in December 2016. Accordingly, our revenue from sale of facility management services accounted for 0.14% and 0.05% of our revenue from operations for the nine months period ended December 31, 2017 and fiscal 2017. Our revenue from our facility management services primarily include fees received from cleaning and house-keeping services provided by us.

### *Revenue from other services*

Our revenue from sale of other services accounted for 0.02%, 0.02%, 0.02% and 0.00% of our revenue from operations for the nine months period ended December 31, 2017, fiscal 2017, fiscal 2016 and fiscal 2015, respectively. Our revenue from other services primarily include revenue received from sale of Genius PayHR software and other software related services.

### *Other income*

Our other income primarily includes interest earned on bank deposits, income tax refunds and gain on sale of fixed assets which includes income from sale of vehicles given to employees and other miscellaneous income.

### **Expenses**

Our expenses comprise of (i) employee benefits expenses, (ii) finance costs, (iii) depreciation and amortisation and (iv) other expenses.

The following table sets forth our expenditure in Rupees and as a percentage of our total revenue for the periods indicated:

<b>Particulars</b>	<i>(₹ in million, except percentages)</i>			
	<b>Nine months ended December 31, 2017</b>	<b>Fiscal 2017</b>	<b>Fiscal 2016</b>	<b>Fiscal 2015</b>
Employee benefits expenses	6,247.58	7,223.24	5,726.57	4,786.19
<i>% of total revenue from operations</i>	93.07%	92.64%	92.40%	92.76%
Finance costs	5.91	6.45	5.20	4.97
<i>% of total revenue from operations</i>	0.09%	0.08%	0.08%	0.10%
Depreciation and amortization	5.75	8.77	9.48	10.31
<i>% of total revenue from operations</i>	0.09%	0.11%	0.15%	0.20%
Other expenses	336.39	351.55	293.31	237.49
<i>% of total revenue from operations</i>	5.01%	4.51%	4.73%	4.60%
<b>Total expenses</b>	<b>6,595.63</b>	<b>7,590.01</b>	<b>6,034.56</b>	<b>5,038.96</b>

### *Employee benefit expenses*

Our employee benefit expenses comprise employee salaries, wages and bonuses, contribution to employee's provident fund and other funds, staff welfare expenses and employee benefits. Employee benefit expenses accounted for 93.07%, 92.64%, 92.40% and 92.76% of our revenue from operations for the nine months period ended December 31, 2017, fiscal 2017, fiscal 2016 and fiscal 2015, respectively.

### *Finance costs*

Our finance costs comprise interest paid on our term loans, working capital facilities and other debts from banks and financial institutions. Our finance costs accounted for 0.09%, 0.08%, 0.08% and 0.10% of our revenue from operations for the nine months period ended December 31, 2017, fiscal 2017, fiscal 2016 and fiscal 2015, respectively.

### *Depreciation and amortisation*

Depreciation on fixed assets is provided on written down value method as per the useful lives of the assets prescribed under schedule II of the Companies Act, 2013. In respect of additions, depreciation is provided on a pro-rata basis from the date of acquisition or installation. Written down value of all assets acquired prior to April 1, 2014 are being depreciated over the remaining useful life as prescribed in Schedule II of the Companies Act, 2013. Depreciation in respect of Fiscals 2014 and 2013 have been provided on written down value method prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation and amortisation accounted for 0.09%, 0.11%, 0.15% and 0.20% of our revenue from operations for the nine months period ended December 31, 2017, fiscal 2017, fiscal 2016 and fiscal 2015, respectively.

### *Other expenses*

Our other expenses include all traveling and conveyance, administrative, rent, insurance charges, rates and taxes, services charges, expenditure on corporate social responsibilities and other miscellaneous expenditures. The three major components of our other expenses are traveling and conveyance, rent and insurance charges which were ₹ 277.31 million, ₹ 11.92 million, ₹ 15.26 million, and ₹ 282.55 million, ₹ 16.39 million, ₹ 11.47 million, and ₹ 228.44 million, ₹ 12.56 million, ₹ 15.35 million, and ₹ 190.65 million, ₹ 10.63 million and ₹ 7.86 million, for the nine months period ended December 31, 2017, fiscal 2017, fiscal 2016 and fiscal 2015, respectively.

Other expenses accounted for 5.01%, 4.51%, 4.73% and 4.60% of our revenue from operations for the nine months period ended December 31, 2017, fiscal 2017, fiscal 2016 and fiscal 2015, respectively.

## **Nine months ended December 31, 2017**

### *Revenue*

Our total revenue for the nine months ended December 31, 2017 was ₹ 6,719.55 million which comprised of ₹ 6,712.88 million as revenue from operations and ₹ 6.67 million as other income.

### *Revenue from manpower recruitment and outsourcing services*

Our revenue from sale of manpower recruitment and outsourcing services for the nine months ended December 31, 2017 was ₹ 6,572.73 million. This was driven by an increase in revenue from sale of our flexi staffing solutions due to new opportunities and increased operations in flexi staffing solutions during this period increased business from existing clients and addition of new clients. This was also driven by an increase in revenue from compliance management and background checks and verification services.

### *Revenue from cargo handling services*

Our revenue from sale of cargo handling services for the nine months ended December 31, 2017 was ₹ 22.00 million. Our revenue from cargo handling services included fees received pursuant to a cargo handling services agreement entered into with one of our clients who is engaged in providing commodity based services.

### *Revenue from business support services*

Our revenue from sale of business support services for the nine months ended December 31, 2017 was ₹ 107.15 million. Our revenue from business support services includes fees received pursuant to a business support services agreement entered into with one of our clients.

### *Revenue from facility management services*

Our revenue from sale of facility management services for the nine months ended December 31, 2017 was ₹ 9.53 million. This was driven by growth in our facility management services due to cross selling of facility management services to our existing clients and introduction of certain new products.

### *Revenue from other services*

Our revenue from other services for the nine months ended December 31, 2017 was ₹ 1.47 million.

#### *Other income*

Our other income for the nine months ended December 31, 2017 was ₹ 6.67 million.

#### ***Expenses***

Our total expenses for the nine months ended December 31, 2017 was ₹ 6,595.63 million.

#### *Employee benefit expenses*

Our employee benefit expenses for the nine months ended December 31, 2017 was ₹ 6,247.58 million. This was driven by increase in the number of employees and increase in basic salaries and wages during this period.

#### *Finance costs*

Our finance costs for the nine months ended December 31, 2017 was ₹ 5.91 million. This was driven by interest on new overdraft facilities availed by our Company and new vehicle loans availed by us.

#### *Depreciation and amortization*

Our depreciation and amortization expenses for the nine months ended December 31, 2017 was ₹ 5.75 million.

#### *Other expenses*

Our other expense for the nine months ended December 31, 2017 was ₹ 336.39 million. This was driven by expenses incurred on traveling and conveyance, rent paid, maintenance charges and expenditure incurred on corporate social responsibility activities.

#### ***Profit before tax, as restated***

Primarily due to the reasons described above, our profit before tax for the nine months ended December 31, 2017 was ₹ 123.92 million.

#### ***Tax expense***

Our tax expenses for the nine months ended December 31, 2017 was ₹ 29.46 million.

#### ***Profit after tax, as restated***

Our profit after tax for the nine months ended December 31, 2017 was ₹ 94.46 million.

#### **Fiscal 2017 compared with fiscal 2016**

#### ***Revenue***

Our total revenue increased by ₹ 1,610.65 million, or 25.95% from ₹ 6,205.64 million in fiscal 2016 to ₹ 7,816.29 million in fiscal 2017. This increase was largely due to ₹ 1,584.44 million increase in revenue from manpower recruitment and outsourcing and ₹ 25.24 million increase in business support services. The increase in revenue from manpower recruitment and outsourcing was driven by an increase in revenue from sale of our flexi staffing solutions.

#### *Revenue from manpower recruitment and outsourcing services*

Our revenue from sale of manpower recruitment and outsourcing services increased by ₹ 1,584.44 million, or 26.22%, from ₹ 6,042.77 million in fiscal 2016 to ₹ 7,627.21 million in fiscal 2017. This increase was primarily driven by an increase in revenue from sale of our flexi staffing solutions due to new opportunities and increased operations in flexi staffing solutions. However, this increase was partially offset by a decrease in revenue from permanent staffing solutions due to our increased focus on flexi staffing solutions. This was also driven by an increase in revenue from compliance management and background checks and verification services. We believe

that our revenue from sale of manpower recruitment and outsourcing services was also positively impacted by an overall growth in economic conditions in India in fiscal 2017.

#### *Revenue from cargo handling services*

Our revenue from sale of cargo handling services decreased by ₹ 13.33 million, or 24.65%, from ₹ 54.08 million in fiscal 2016 to ₹ 40.75 million in fiscal 2017. Our revenue from cargo handling services included fees received pursuant to a cargo handling services agreement entered into with one of our clients who is engaged in providing commodity based services. This decrease was primarily due to less services being provided to this client due to increased competition.

#### *Revenue from business support services*

Our revenue from sale of business support services increased by ₹ 25.24 million, or 25.48%, from ₹ 99.04 million in fiscal 2016 to ₹ 124.28 million in fiscal 2017. Our revenue from business support services includes fees received pursuant to a business support services agreement entered into with one of our clients. This increase was primarily due to increase in the number of associates supplied by the Company to this client in fiscal 2017.

#### *Revenue from facility management services*

Our revenue from sale of facility management services was ₹ 3.60 million in fiscal 2017. We did not receive any revenue from facility management services as we commenced our facility management service in only December 2016.

#### *Revenue from other services*

Our revenue from other services increased marginally by ₹ 0.16 million, or 10.88%, from ₹ 1.47 million in fiscal 2016 to ₹ 1.63 million in fiscal 2017. This increase was primarily driven by increase in the number of clients.

#### *Other income*

Our other income increased substantially by ₹ 10.54 million, or 127.29%, from ₹ 8.28 million in fiscal 2016 to ₹ 18.82 million in fiscal 2017. This increase was primarily due to an increase in interest income from fixed deposits and income tax refund.

### **Expenses**

Our total expenses increased by ₹ 1,555.45 million, or 25.78%, from ₹ 6,034.56 million in fiscal 2016 to ₹ 7,590.01 million in fiscal 2017. This increase was principally due to ₹ 1,496.67 million increase in employee benefits expenses.

#### *Employee benefit expenses*

Our employee benefit expenses increased by ₹ 1,500.59 million, or 26.12%, from ₹ 5,726.57 million in fiscal 2016 to ₹ 7,223.24 million in fiscal 2017. This increase in our employee benefit expenses was driven by a general increase in the salaries, allowances and bonus paid to our employees as well as an increase in the number of our employees during this period.

#### *Finance costs*

Our finance costs increased by ₹ 1.25 million, or 24.04%, from ₹ 5.20 million in fiscal 2016 to ₹ 6.45 million in fiscal 2017. This increase was primarily due to ₹ 1.08 million increase in interest expenses paid on working capital facilities availed to fund our increased operations in fiscal 2017.

#### *Depreciation and amortization*

Our depreciation and amortization expenses decreased by ₹ 0.71 million, or 7.49%, from ₹ 9.48 million in fiscal 2016 to ₹ 8.77 million in fiscal 2017.

### *Other expenses*

Our other expense increased by ₹ 58.24 million, or 19.86%, from ₹ 293.31 million in fiscal 2016 to ₹ 351.55 million in fiscal 2017. This increase was primarily due to increase in traveling and conveyance, rent paid, maintenance charges and expenditure incurred on corporate social responsibility activities. These increases were partially offset by decrease in insurance charges and rates and taxes.

### ***Profit before tax, as restated***

Primarily due to the reasons described above, our profit before tax increased by ₹ 55.20 million, or 32.27%, from ₹ 171.08 million in fiscal 2016 to ₹ 226.28 million in fiscal 2017.

### ***Tax expense***

Our tax expenses decreased by ₹ 29.89 million, or 49.69%, from ₹ 60.15 million in fiscal 2016 to ₹ 30.26 million in fiscal 2017 due to ₹ 16.00 million received on MAT credit entitlement and ₹ 2.31 million on refund of taxes paid on earlier years.

### ***Profit after tax, as restated***

Our profit after tax increased by ₹ 85.09 million, or 76.71%, from ₹ 110.93 million in fiscal 2016 to ₹ 196.02 million in fiscal 2017.

## **Fiscal 2016 compared with fiscal 2015**

### ***Revenue***

Our total revenue increased by ₹ 1,038.24 million, or 20.09% from ₹ 5,167.40 million in fiscal 2015 to ₹ 6,205.64 million in fiscal 2016. This increase was largely due to ₹ 1,034.65 million increase in revenue from manpower recruitment and outsourcing and ₹ 17.85 million increase in business support services. The increase in revenue from manpower recruitment and outsourcing was driven by an increase in revenue from sale of our flexi staffing solutions and permanent staffing solutions.

### *Revenue from manpower recruitment and outsourcing services*

Our revenue from sale of manpower recruitment and outsourcing services increased by ₹ 1,034.65 million, or 20.66%, from ₹ 5,008.12 million in fiscal 2015 to ₹ 6,042.77 million in fiscal 2016. This increase was primarily driven by higher growth in flexi staffing business on account of increased opportunities in our flexi staffing solutions. This was also driven by an increase in revenue from compliance management and background checks and verification services. We believe that our revenue from sale of manpower recruitment and outsourcing services was also positively impacted by an overall growth in economic conditions in India in fiscal 2016.

### *Revenue from cargo handling services*

Our revenue from sale of cargo handling services decreased by ₹ 16.00 million, or 22.83%, from ₹ 70.08 million in fiscal 2015 to ₹ 54.08 million in fiscal 2016. Our revenue from cargo handling services included fees received pursuant to a cargo handling services agreement entered into with one of our clients who is engaged in providing commodity based services. This decrease was primarily due to less services being provided to this client due to increased competition pursuant to regulatory changes.

### *Revenue from business support services*

Our revenue from sale of business support services marginally increased by ₹ 17.85 million, or 21.99%, from ₹ 81.19 million in fiscal 2015 to ₹ 99.04 million in fiscal 2016. Our revenue from business support services includes fees received pursuant to a business support services agreement entered into with one of our clients. This increase was primarily due to increase in the number of associates supplied by the Company to this client and revision in the salaries of the existing Associates in fiscal 2016.

### *Revenue from other services*

Our revenue from other services increased by ₹ 1.29 million, or 716.66%, from ₹ 0.18 million in fiscal 2015 to ₹ 1.47 million in fiscal 2016. This increase was due to the full-year impact of the sale of software services/ Genius PayHR, which was launched in fiscal 2015.

### *Other income*

Our other income increased by ₹ 0.45 million, or 5.75%, from ₹ 7.83 million in fiscal 2015 to ₹ 8.28 million in fiscal 2016. This increase was primarily due to an increase in interest income from fixed deposits.

### **Expenses**

Our total expenses increased by ₹ 995.60 million, or 19.76%, from ₹ 5,038.96 million in fiscal 2015 to ₹ 6,034.56 million in fiscal 2016. This increase was principally due to ₹ 940.38 million increase in employee benefits expenses.

### *Employee benefit expenses*

Our employee benefit expenses increased by ₹ 940.38 million, or 19.65%, from ₹ 4,786.19 million in fiscal 2015 to ₹ 5,726.57 million in fiscal 2016. This increase in our employee benefit expenses was driven by a general increase in the salaries, allowances and bonus paid to our employees as well as an increase in the number of our employees during this period.

### *Finance costs*

Our finance costs increased by ₹ 0.23 million, or 4.63%, from ₹ 4.97 million in fiscal 2015 to ₹ 5.20 million in fiscal 2016. This increase was due to increase in interest expenses paid on working capital facilities availed to fund our increased operations in fiscal 2016.

### *Depreciation and amortization*

Our depreciation and amortization expenses decreased by ₹ 0.83 million, or 8.05%, from ₹ 10.31 million in fiscal 2015 to ₹ 9.48 million in fiscal 2016 due to revision in rates and method of calculating depreciation to align it with the Companies Act 2013 from the previous methods of calculation under the Income Tax Act.

### *Other expenses*

Our other expense increased by ₹ 55.82 million, or 23.50%, from ₹ 237.49 million in fiscal 2015 to ₹ 293.31 million in fiscal 2016. This increase was primarily due to increase in traveling and conveyance, rent paid, insurance charges, maintenance charges and rates and taxes. These increases were partially offset by decrease in service charges.

### **Profit before tax, as restated**

Primarily due to the reasons described above, our profit before tax increased by ₹ 42.64 million, or 33.20%, from ₹ 128.44 million in fiscal 2015 to ₹ 171.08 million in fiscal 2016.

### **Tax expense**

Due to an increase in our profit before tax, our tax expenses increased by ₹ 14.74 million, or 32.46%, from ₹ 45.41 million in fiscal 2015 to ₹ 60.15 million in fiscal 2016. Our current tax increased by ₹ 14.00 million, from ₹ 46.00 million in fiscal 2015 to ₹ 60.00 million in fiscal 2016.

### **Profit after tax, as restated**

Our profit after tax increased by ₹ 27.90 million, or 33.60%, from ₹ 83.03 million in fiscal 2015 to ₹ 110.93 million in fiscal 2016.

## Liquidity and Capital Resources

As of March 31, 2017 and December 31, 2017, we had cash and bank balances of ₹ 335.90 million and ₹ 452.94 million, respectively. Cash and bank balances consist of cash on hand, cheques on hand and deposit accounts including fixed deposits. Our primary liquidity requirements have been to finance our working capital requirements. We have met these requirements from cash flows from operations, long term loans and working capital facilities. Our business requires a significant amount of working capital. We expect to meet our working capital requirements for the next 12 months primarily from the cash flows from our business operations and working capital borrowings from banks and Net Proceeds from the Offer as may be required.

### Cash flows

Set forth below is a table of selected information from the Company's statements of cash flows for the periods indicated.

(₹ in million)

Particulars	Nine months ended December 31, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net cash from operating activities	240.51	46.15	102.39	21.27
Net cash from/ (used in) investing activities	2.13	(103.50)	(28.22)	(31.01)
Net cash from/ (used in) financing activities	(102.81)	20.23	33.69	22.84
Net increase/ (decrease) in cash and cash equivalents	139.83	(37.12)	107.86	13.10
Opening cash and cash equivalents	177.04	214.16	106.30	93.20
Closing cash and cash equivalents	316.87	177.04	214.16	106.30

### Net cash from operating activities

Net cash from operating activities in the nine months ended December 31, 2017 was ₹ 240.51 million and our operating profit before working capital changes for that period was ₹ 129.13 million. The difference was primarily attributable to a ₹ 317.69 million increase in other current liabilities. This was partially offset by ₹ 201.10 million decrease in other current assets and ₹ 80.84 million paid in direct taxes.

Net cash from operating activities in fiscal 2017 was ₹ 46.15 million and our operating profit before working capital changes for that period was ₹ 233.09 million. The difference was primarily attributable to a ₹ 180.34 million decrease in trade receivables, ₹ 50.36 million decrease in non-current assets, ₹ 13.08 million decrease in other current assets and ₹ 45.73 million paid in direct taxes. This was partially offset by ₹ 60.48 million increase in current liabilities.

Net cash from operating activities in fiscal 2016 was ₹ 102.39 million and our operating profit before working capital changes for that period was ₹ 177.48 million. The difference was primarily attributable to a ₹ 34.64 million decrease in other current assets, ₹ 53.06 million decrease in trade receivables and ₹ 83.67 million paid in direct taxes. This was partially offset by ₹ 97.95 million increase in current liabilities.

Net cash from operating activities in fiscal 2015 was ₹ 21.27 million and our operating profit before working capital changes for that period was ₹ 137.52 million. The difference was primarily attributable to a ₹ 111.72 million decrease in trade receivables and ₹ 59.60 million paid in direct taxes. This was partially offset by ₹ 49.25 million increase in current liabilities and ₹ 24.87 million increase in long term provisions.

### Net cash from / used in investing activities

In the nine months ended December 31, 2017, our net cash from investing activities was ₹ 2.13 million. This reflected receipt of ₹ 6.63 million from redemption of fixed deposits, ₹ 0.81 million from interest and ₹ 0.42 million from sale of property, plant and equipment. These payments were partially offset by ₹ 5.73 million towards purchase of property, plant and equipment and intangible assets.

In fiscal 2017, our net cash used in investing activities was ₹ 103.50 million. This reflected the payments of ₹ 49.20 million towards fixed deposits, ₹ 60.29 million towards the purchase of property, plant and equipment

including capital advances. These payments were partially offset by ₹ 5.65 million interest received and ₹ 0.34 million as proceeds from sale of property, plant and equipment.

In fiscal 2016, our net cash used in investing activities was ₹ 28.22 million. This reflected the payments of ₹ 26.35 million towards fixed deposits, ₹ 6.22 million towards the purchase of property, plant and equipment including capital advances. These payments were partially offset by ₹ 1.28 million as proceeds from sale of property, plant and equipment and ₹ 3.07 million interest received.

In fiscal 2015, our net cash used in investing activities was ₹ 31.01 million. This reflected the payments of ₹ 24.69 million towards fixed deposits, ₹ 7.18 million towards the purchase of property, plant and equipment including capital advances. These payments were partially offset by ₹ 0.25 million as proceeds from sale of property, plant and equipment and ₹ 0.61 million interest received.

#### *Net cash from / used in financing activities*

In the nine months ended December 31, 2017, our net cash used in financing activities was ₹ 102.81 million. This reflected ₹ 74.51 million paid towards repayment of short term borrowings, ₹ 18.11 million dividend paid, ₹ 5.91 million paid towards interest, ₹ 3.69 million paid as dividend distribution tax and ₹ 1.47 million paid as repayment of long term borrowings. These were partially offset by ₹ 0.88 million received as proceeds from long term borrowing.

In fiscal 2017, our net cash generated from financing activities was ₹ 20.23 million. This reflected ₹ 26.72 million received as short term borrowing for working capital requirements and ₹ 4.10 million received as long term borrowings. These cash flows were partially offset by ₹ 4.14 million paid towards repayment of long term borrowings and ₹ 6.45 million on interest paid.

In fiscal 2016, our net cash generated from financing activities was ₹ 33.69 million. This reflected ₹ 62.23 million received as short term borrowing for working capital requirements and ₹ 2.21 million received as long term borrowings. These cash flows were partially offset by ₹ 14.23 million paid towards dividend, ₹ 2.89 million paid towards dividend distribution tax, ₹ 8.43 million paid towards repayment of long term borrowings and ₹ 5.20 million on interest paid.

In fiscal 2015, our net cash generated from financing activities was ₹ 22.84 million. This reflected ₹ 35.96 million received as short term borrowing for working capital requirements and ₹ 6.26 million received as long term borrowings. These cash flows were partially offset by ₹ 5.18 million paid towards dividend, ₹ 0.88 million paid towards dividend distribution tax, ₹ 8.35 million paid towards repayment of long term borrowings and ₹ 4.97 million on interest paid.

#### *Capital Expenditures*

For the nine months ended December 31, 2017, fiscals 2017, 2016 and 2015, our capital expenditures were ₹ 3.03 million, ₹ 6.85 million, ₹ 6.21 million and ₹ 7.18 million, respectively. The following table provides a breakdown of our capital expenditure spend by category during the periods indicated.

Asset class	Nine months period ended December 31, 2017	Fiscal		
		2017	2016	2015
(₹ in millions)				
Other fixed assets	3.03	6.85	6.21	7.18
<b>Total</b>	<b>3.03</b>	<b>6.85</b>	<b>6.21</b>	<b>7.18</b>

#### *Financial indebtedness*

The following table sets forth the Company's secured and unsecured debt position as at December 31, 2017.

Particulars	(₹ in million)	
	Amount outstanding as at December 31, 2017	
<b>Unsecured loans:</b>		
From Promoters		Nil
From banks		Nil

Particulars	Amount outstanding as at December 31, 2017
<b>Total (A)</b>	Nil
<b>Secured loans:</b>	
Term loans from bank (includes instalment payable within one year)	Nil
Cash credit from bank	0.02
Short term loans (repayable within one year)	Nil
Overdraft from bank	110.31
Car loans from bank	6.72
Car loans from others	Nil
<b>Total (B)</b>	<b>117.05</b>
<b>Total (A+ B)</b>	<b>117.05</b>

For details of our financial indebtedness, please see “*Financial Indebtedness*” on page 197.

### *Contingent Liabilities*

As of December 31, 2017, we had the following contingent liabilities that have not been provided for in our financial statements:

		(₹ in million)
Sl. No.		Amount
1.	Disputed Employees State Insurance	1.50
2.	Service tax matters	14.07
	<b>Total</b>	<b>15.57</b>

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

### **Quantitative and Qualitative Analysis of Market Risks**

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to credit risk, interest rate risk and inflation risk and in the normal course of our business.

#### *Credit Risk*

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. We typically have credit terms ranging from 30 to 45 days with our clients. The typical credit terms extended to clients (in terms of debtor days) as on December 31, 2017 was 38 days. As of December 31, 2017, March 31, 2017, March 31, 2016 and March 31, 2015, our trade receivables were ₹ 520.30 million, ₹ 602.37 million, ₹ 422.03 million and ₹ 368.97 million, respectively. These do not include unbilled revenues of ₹ 317.56 million, ₹ 116.58 million, ₹ 104.74 million and ₹ 70.53 million as of December 31, 2017, March 31, 2017, 2016 and 2015, respectively, which typically represent the invoicing for the last month of the relevant fiscal period, invoiced on the first day of the next month.

#### *Interest rate risk*

We are exposed to market risk with respect to changes in interest rates related to our borrowings. Interest rate risk exists with respect to our indebtedness that bears interest at floating rates tied to certain benchmark rates as well as borrowings where the interest rate is reset based on changes in interest rates set by RBI. Interest rates are sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations.

### ***Inflation risk***

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in our employee benefit payments or other expenses as a result of increase in inflation in India, which we are unable to pass on to our customers, whether entirely or in part, may adversely affect our business and financial condition.

### **Unusual or Infrequent Events or Transactions**

To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

### **Known Trends or Uncertainties**

Our business has been affected and we expect that it will continue to be affected by the trends identified above in “***Significant Factors Affecting Our Results of Operations***” and the uncertainties described in “***Risk Factors***” on pages 182 and 14, respectively. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

### **Future Relationship between Cost and Revenue**

Other than as described in “***Risk Factors***” and this section, there are no known factors that might affect the future relationship between cost and revenue.

### **Competitive Conditions**

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections “***Risk Factors***” and “***Our Business***” on pages 14 and 104, respectively.

### **Seasonality of Business**

While we have certain clients whose business is largely seasonal, considering our size and diverse client base, seasonality of such businesses does not impact us.

### **Dependence on a Few Clients**

A significant proportion of our revenues have historically been derived from a limited number of clients. Our top 10 largest clients, for the nine months period ended December 31, 2017 and fiscals 2017, 2016 and 2015 contributed to approximately 38%, 38%, 33% and 30% of our total revenue, respectively and across various geographical locations. Further, our large clients may terminate their contracts with us, with or without notice and at their discretion or not renew such contracts. Moreover, pricing and/or margin pressures by such significant clients could result in reduced revenue from such customers. In addition, our contracts are typically non-exclusive in nature and we may not be able to retain our large clients. We cannot assure you that our large clients will not terminate their arrangements with us or significantly change the terms of, reduce or delay execution or renewal of their contracts with us, any of which would reduce our revenues.

### **New Products or Business Segments**

Except as disclosed in “***Our Business***” on page 104, we have not announced and do not expect to announce in the near future any new products or business segments.

### **Significant Developments Occurring after December 31, 2017**

Except as stated in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, the operations or profitability of our Company, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

## FINANCIAL INDEBTEDNESS

Pursuant to our Articles of Association, subject to applicable laws and pursuant to the Board resolution dated September 3, 2015 and the special resolution passed by our shareholders on September 28, 2015, our Board has been authorised to borrow sums of money with or without security, which, together with the monies borrowed by our Company (excluding temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) shall not exceed the amount of ₹500 million over and above the aggregate of the paid-up share capital and free reserves of our Company.

### Facilities availed by us

As on February 28, 2018 our Company has availed secured short-term borrowings aggregating to ₹ 80.23 million. Our Company has not availed any unsecured borrowings. Set forth below is a brief summary of our aggregate outstanding borrowings, which comprise fund based facilities, as on February 28, 2018.

Category of Borrowing	Sanctioned Amount	Amount outstanding as on February 28, 2018
Working capital facilities*	235.00	80.23
<b>Total</b>	<b>235.00</b>	<b>80.23</b>

(₹ in million)

\* The working capital facilities include sub-limits for other facilities, including letter of credit, cash credit, packing credit, short term loan facility, overdraft facility and bank guarantee.

Key terms of our secured borrowings are disclosed below.

- *Tenor and interest rate:* Our working capital facilities carry a floating rate of interest. The facilities availed by us are renewable on an annual basis.
- *Security:* Our borrowings are typically secured against:
  - i. charge created by way of equitable mortgage of our Registered and Corporate Office; and
  - ii. fixed deposit maintained with the lender.

The security created in favour of our lenders is on a *pari passu* basis with each other.

Additionally, Mr. Rajendra Prasad Yadav, our Promoter and Chairman cum Managing Director, has issued personal guarantees in favour of both our lenders for the working capital facilities extended to our Company. Further, Ms. Reeta Yadav, our Promoter and non-executive Director and Ms. Rashmi Yadav Korada and Ms. Pritika Yadav, our whole-time Directors, have issued personal guarantees in favour of HDFC Bank Limited for the working capital facilities availed by our Company from it.

- *Events of Default:* Our borrowing arrangements typically contain standard events of default, including:
  - i. Any material adverse change in the condition of our Company;
  - ii. Our Company defaults under any financing obligation to any bank or institution (cross default);
  - iii. If our Company fails to comply with applicable laws and regulations prevalent from time to time, including obtaining necessary approvals, permissions, registrations and licenses, if any;
  - iv. Investment in shares, debentures, advances and intercorporate loans/ deposits to other companies;
  - v. Total outside liabilities exceeding 2.5 times of the total net worth of our Company; and
  - vi. The total current liabilities excluding our total current assets.
- *Restrictive covenants:* Our Company, under its financing arrangements, requires the relevant lender's prior consent for carrying out certain actions, including:
  - i. availing of any borrowing and creation of fresh charge on its assets;
  - ii. issuing of personal guarantees by the Promoters/ Promoter-Directors/ guarantors;
  - iii. use of loan proceeds for purposes other than as permitted under the relevant sanction letter; and
  - iv. reduction/ change in promoter shareholding/ change in promoter directorship resulting in change in management control.

The events of default and restrictive covenants mentioned above are indicative and there are additional terms that may amount to an event of default under the financing agreements entered into by the Company.

For further details of financial and other covenants required to be complied with in relation to our borrowing, see ***“Risk Factors – Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations in the manner we desire.”*** on page 23. Our Company has received consents from the lenders performing the abovementioned activities with respect to the Offer, as applicable

## **SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no (i) outstanding criminal proceedings involving our Company, Directors, or Promoters; (ii) actions taken by statutory or regulatory authorities against our Company, Directors, or Promoters; (iii) outstanding claims involving our Company, Directors, or Promoters for any direct and indirect tax liabilities; (iv) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company, pending or taken, during the last five years immediately preceding the year of this Draft Red Herring Prospectus; (v) prosecutions filed (whether pending or not); fines imposed or compounding of offences done by our Company and/ or Subsidiaries in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (vi) pending defaults or non-payment of statutory dues by our Company; (vii) litigation or legal action against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding this Draft Red Herring Prospectus; (viii) material frauds committed against our Company, in the five years preceding the date of this Draft Red Herring Prospectus; (ix) outstanding dues to creditors of our Company as determined to be material by our Board of Directors in accordance with the SEBI ICDR Regulations; and (x) outstanding dues to small scale undertakings and other creditors. Further, there have been no proceedings initiated against our Company for economic offences or litigation outstanding against any other person, whose outcome could have a material adverse effect on the position of our Company.*

*Pursuant to the SEBI ICDR Regulations and the Materiality Policy for the purposes of disclosure in this Draft Red Herring Prospectus, all pending litigation involving our Company, Promoters and Directors, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of ₹ 1.97 million, or any such litigation which is material from the perspective of our Company's business, operations, prospects or reputation.*

*Further, pre-litigation notices received by our Company and Directors (excluding those notices issued by statutory/regulatory/tax authorities or notices) shall, unless otherwise decided by our Board, not be evaluated for materiality until such time that our Company and the Directors are impleaded in litigation proceedings before any judicial forum.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.*

### **I. LITIGATION INVOLVING OUR COMPANY**

#### **A. Outstanding litigations against our Company**

##### *Actions taken by statutory/regulatory authorities*

1. The Inspector of the Minimum Wages Act and CLRA Act, Kolkata issued a show cause notice dated March 8, 2018 against our Company alleging non-compliance with certain provisions of the CLRA Act and the rules made thereunder for not producing relevant records in relation to an application for license under the CLRA Act.
2. The Inspector of Minimum Wages Act, Kolkata issued an inspection note dated March 26, 2018 to our Company alleging non-compliance with the applicable provisions of the Minimum Wages Act in relation to maintenance of records and timely filing of annual returns for the 2017.
3. The Inspector of CLRA Act, Kolkata issued an inspection note dated March 26, 2018 to our Company alleging non-compliance with certain provisions of the CLRA Act and the rules thereunder in relation to not maintaining records, producing relevant records in relation to an application for license under the CLRA Act and timely filing of half yearly returns.
4. The Deputy Chief Labour Commissioner, MoLE issued a notice to our Company alleging non-submission of online annual return for the year ending December 31, 2016. Subsequently, our Company submitted a physical copy of such annual return, which has been acknowledged by the MoLE.
5. The Deputy Director, ESIC issued show cause notices dated September 26, 2005 and March 30, 2007 requiring our Company to show cause for not depositing contributions in terms of applicable provisions of

ESI Act and not submitting relevant returns for the period between April 2003 until March 2004. By an order dated August 31, 2007, the Assistant Director, ESIC, Kolkata directed our Company to pay ₹ 1.91 million as contribution under applicable provisions of the ESI Act. Our Company filed an appeal seeking a permanent injunction against this order before the Employees' Insurance Court, West Bengal at Kolkata, which, by an order dated February 9, 2009 admitted the appeal and reduced the deposit amount to ₹0.39 million.

6. The Assistant Labour Commissioner, Jorhat (Assam) issued a notice dated November 18, 2017 to our Company, directing us to submit a written response to the complaint received from Mr. Nabajit Dutta alleging that our Company had failed to pay him his full and final salary.
7. The Deputy Labour Commissioner, Varanasi (Uttar Pradesh) issued a notice dated July 21, 2017 to our Company directing us to furnish the half yearly return under the applicable provisions of the CLRA Act for the period between July 1, 2016 until December 3, 2016. Our Company subsequently submitted such half yearly return.
8. Pursuant to an inspection note (no. 1119/2017) directing our Company to produce certain registers and records maintained under applicable labour law legislations, Office of the Assistant Labour Officer, Kannur 1<sup>st</sup> Circle, issued a show cause notice dated February 9, 2018 to our Company and Mr. Rajendra Prasad Yadav, our Chairman cum Managing Director, requiring us to show cause as to why prosecution should not be initiated against our Company as per applicable laws. Subsequently, the Assistant Labour Office, 1st Circle, Kannur (Kerala) filed a petition against our Company alleging non-payment of minimum wages as per applicable laws for the period commencing March 2017 until August 2017, aggregating approximately to ₹ 0.07 million.

#### ***Tax proceedings***

Except as disclosed below, there are no proceedings related to direct and/ or indirect taxes pending against our Company.

<i>(₹ in million)</i>		
<b>Particulars</b>	<b>Number of cases</b>	<b>Ascertainable amount involved</b>
Indirect tax	1	28.14
<b>Total</b>	<b>1</b>	<b>28.14</b>

#### ***Other material litigation***

1. Mr. Manu M.C. filed a petition (E.C.A. 55 of 2015) before the Additional Small Causes Judge at Bangalore, against Dell International Services Private Limited, Johnson Controls India Private Limited and our Company seeking damages amounting ₹ 2.00 million, along with interest at the rate of 18% p.a., alleging that he was injured while discharging his duty at Dell International Services Private Limited. The Court of Additional Small Causes Judge at Bangalore issued a show cause notice dated April 8, 2015 to our Company to show cause against the application filed by Mr. Manu M.C.

#### **B. Outstanding litigations by our Company**

##### ***Criminal proceedings***

1. Mr. Soumendu Kumar Dey, our employee, filed a first information report (“**F.I.R.**”) dated November 11, 2017, before the Serampore police station in Kolkata against Mr. Somnath Bhaduri, Mr. Shubhojit Orow and Mr. Dipankar Das, alleging they had stolen certain property (including certain electronic items) from the site of our client, Kuhene+Nagle.
2. Our Company along with Mr. Kishore, a partner at Sohna Enterprises, filed an F.I.R. dated June 5, 2017 before the Mico Layout police station in Bangalore, against Mr. Jayaram C.N., Mr. Harish Kumar R and Mr. Padmnabha, alleging misappropriation of funds by them amounting to ₹ 0.30 million.
3. Our Company initiated a criminal complaint pursuant to letter dated May 29, 2017, addressed to Sakinaka police station, Mumbai, against Mr. Ajay Menon, Mr. Arun Kumar Menon and Mr. Annur Rajgopal Sekar, proprietors of Apps Daily, alleging non-repayment of salaries, aggregating to ₹ 0.15 million to certain Associates placed by us at their organisation, in terms of our contract with them.

4. Our Company filed a criminal complaint (no. 4106 of 2017) before the court of the XIX Metropolitan Magistrate, Egmore, Chennai against Ms. N. Rajalakshmi, a partner at Qnex Technologies LLP, under applicable provisions of the Negotiable Instruments Act, 1881 (“**NI Act**”), alleging dishonour of cheques aggregating to ₹ 0.58 million. Subsequently, a warrant was issued against Ms. Rajlakshmi.
5. Our Company filed a criminal complaint dated December 27, 2016 before the IV Additional Chief Metropolitan Magistrate, Bangalore city (“**ACMM Court**”), against Mr. Manjunatha S.L., who had been deployed with Shabari Enterprises, alleging criminal misappropriation of an amount of ₹ 0.21 million. The ACMM Court by an order dated January 13, 2017, referred the investigation to the RMC Yard police station.
6. Our Company filed a criminal complaint dated December 27, 2016 before the ACMM against Mr. Renukumar S., who had been deployed with Ramnath Distributors, alleging criminal misappropriation of an amount of ₹ 0.20 million. The ACMM by an order dated January 13, 2017 referred the investigation to the Subramanyapura police station.
7. Our Company has filed a criminal complaint dated December 23, 2016 against Mr. Raj Kumar before PSOC Division number 5, Ludhiana City police station, alleging that Mr. Raj Kumar had cheated our client in respect of an amount aggregating to ₹ 0.40 million.

## II. LITIGATION INVOLVING OUR PROMOTER

Our Promoters, Mr. Rajendra Prasad Yadav and Ms. Reeta Yadav are involved in certain legal disputes as on the date of this Draft Red Herring Prospectus. For details, see “– *Litigation involving our Directors*” below.

## III. LITIGATION INVOLVING OUR DIRECTORS

### A. Mr. Rajendra Prasad Yadav

#### *Actions taken by statutory and regulatory authority against Mr. Rajendra Prasad Yadav*

There is one outstanding action taken by a regulatory authority against Mr. Rajendra Prasad Yadav. For details, see “– *Outstanding litigation against our Company - Actions taken by statutory/regulatory authorities*” above.

### B. Ms. Reeta Yadav

#### *Tax litigation against Ms. Reeta Yadav*

There is one indirect tax dispute pending against Ms. Reeta Yadav, details of which are set forth below.

Particulars	Number of cases	Ascertainable amount involved
Direct tax	1	Not Ascertainable
<b>Total</b>	<b>1</b>	<b>Not Ascertainable</b>

## IV. COMPOUNDING APPLICATIONS FILED BY OUR COMPANY AND OUR OFFICIALS

Except as disclosed below, there have been no compounding applications filed by our Company and our officials, as on the date of this Draft Red Herring Prospectus.

1. The Regional Director, Eastern Region, Kolkata, by an order dated February 16, 2018, compounded an application by our Company seeking to file Form CHG-4 with the RoC after a delay of 36 days in relation to satisfaction of charge and imposed a penalty of ₹ 1,000 on our Company, which has been paid.
2. Our Company filed an application dated January 27, 2015 under the New Amnesty Scheme, 2014, issued by Employee State Insurance Corporation, for settlement of a case (No. 89/2005) that was pending before the ESI Court at Kolkata. Our application was subsequently accepted by the Deputy Director, ESIC, West Bengal and our Company was directed to pay ₹0.10 million as penalty, which has been paid.

## **V. INQUIRIES, INVESTIGATIONS OR INSPECTIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last five years immediately preceding the year of this Draft Red Herring Prospectus. However, we have been the subject of the following inquiries and investigations in the five years immediately preceding the date of this Draft Red Herring Prospectus.

1. The Superintendent of Police, Anti-corruption Branch, CBI issued a notice dated December 29, 2016 requesting our Company to submit certain information regarding two of Associates, Mr. Krishnendu Banerjee and Mr. Sourav Roy Choudhary placed by our Company with Balmer Lawrie & Co. Limited. Our Company submitted a reply dated January 4, 2017 along with the documents requested.
2. The Inspector of police, Special Police Establishment, CBI issued a notice dated February 17, 2015 requesting our Company to submit certain information regarding an Associate, Ms. Shivani Gupta, placed by our Company with Hindustan Cooper Limited. Our Company submitted a reply dated March 4, 2015 along with the documents requested.

## **VI. PAST CASES WHERE PENALTIES WERE IMPOSED, OFFENCES WERE COMPOUNDED OR PROSECUTIONS WERE FILED**

In the past, our Company has been required to pay penalties imposed under various labour law legislations including on account of delayed ESI contributions, delayed EPF contribution and non-compliance with provisions of CLRA Act and rules thereunder. In the five years immediately preceding the date of this Draft Red Herring Prospectus, our Company has paid an aggregate amount of ₹ 0.03 million pursuant to penalties imposed on us under the ESIC Act, EPF Act and CLRA Act.

Additionally, our Company has been party to certain service tax disputes, wherein the service tax authorities have imposed certain penalties on our Company on account of delayed or short payment of service tax and incorrect valuation of services. In the five years immediately preceding the date of this Draft Red Herring Prospectus, service tax authorities have imposed penalties aggregating to ₹ 0.50 million on our Company, in relation to service tax claims.

Further, our Company has been party to certain income tax disputes wherein the income tax authorities have imposed certain penalties on our Company primarily on account of non-disclosure of income. In the five years immediately preceding the date of this Draft Red Herring Prospectus, our Company paid an aggregate of ₹ 0.15 million pursuant to penalties imposed on us in relation to income tax claims.

## **VII. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

As of December 31, 2017, we had an aggregate of 53 creditors to whom an aggregate amount of ₹ 4.42 million was outstanding on such date. For further details, see <http://www.geniusconsultant.com>.

As per the Materiality Policy, a creditor of the Company, shall be considered to be material for the purpose of disclosure in the offer document, including this Draft Red Herring Prospectus, if amounts due to such creditor exceeds 1.00% of the total trade payables as on the date of the Restated Financial Statements for the most recent completed fiscal included in such offer documents. Based on the above, there are 16 material creditors of the Company as on December 31, 2017 to whom an aggregate amount of ₹ 3.35 million was outstanding on such date.

Further, based on information available with our Company, there are no dues outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as of December 31, 2017.

*Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, <http://www.geniusconsultant.com>, would be doing so at their own risk.*

### **Material developments since the last balance sheet date**

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after December 31, 2017*” on page 196, no circumstances have arisen since December 31, 2017, the date of the last restated financial information disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our operations or earnings taken as a whole, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*Our Company can undertake the Offer and its current business activities, including on the basis of the list of material approvals provided below, and other than as stated below, no further material approvals from any regulatory authority are required to undertake the Offer or continue such business activities. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus.*

### I. General details

#### *Incorporation details of our Company*

Certificate of incorporation dated July 27, 1993 issued to our Company by the RoC in the name of 'Genius Consultants Private Limited'. The RoC subsequently issued a fresh certificate of incorporation pursuant to change of name upon conversion to a public limited company on October 14, 1999.

For details of corporate and other approvals obtained in relation to the Offer, see "**Other Regulatory and Statutory Disclosures – Authority for the Offer - Corporate Approvals**" on page 206.

#### *Tax related approvals*

- (i) The permanent account number of our Company is AABCG1661M.
- (ii) The tax deduction account number of our Company is CALG02952F.

#### *Labour and Employee related approvals*

- (i) Pursuant to notification no. S-35015/86/2014-SS-II dated May 14, 2015 issued by the Ministry of Labour and Employment, Government of India, our Company is exempt from the operation of the EPF Act; and
- (ii) Under the ESI Act, our Company has been allotted the employee state insurance code number 41000285620001002.

### II. Approvals in relation to operations of our Company

As on the date of this Draft Red Herring Prospectus, we have eight branch offices and seven area offices. We require various approvals to carry on our operations in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by us for conducting the operations of our Company are provided below ("**Key Approvals**"):

#### A. *Shops and establishments' registrations:*

In states where our unit and offices are operational, registrations under the respective shops and establishments acts of those states, wherever enacted and in force, would be required. The term of such registrations and renewal requirements as well as processes may differ under the various applicable state legislations and may be subject to periodic renewals, as applicable.

#### B. *Registrations/license under the CLRA Act*

Our Company is required to obtain and maintain licenses under the provisions of the CLRA Act for providing contract labour to our clients, which is further governed by the applicable regulations of the states where we operate. As on the date of this Draft Red Herring Prospectus, our Company has 42 licenses under the CLRA Act, which are valid. Additionally, we have filed 36 applications for obtaining fresh or renewed licenses that have expired in the ordinary course of our business. Further, in certain cases, our client may be required to obtain a registration under the CLRA Act as a pre-condition for us to make an application for license and we will accordingly make an application once the relevant client has received the registration. We are yet to file applications for obtaining licenses under the CLRA Act in respect of our contracts with 38 clients. For details of requirement to obtain such licenses, see "**Key Regulations and Policies**" on page 119.

C. *Trade licenses from relevant municipal authorities*

We are required to obtain trade licenses in respect of our branch/area offices in terms of the applicable legislations issued by the respective municipal bodies. Such licenses may be subject to periodic renewals, as applicable.

D. *Professional tax registration*

We are required to obtain registration in relation to deduction of professional tax under the respective professional tax acts of the states where we operate. The term of such registrations and renewal requirements as well as processes may differ under the various applicable state legislations and may be subject to periodic renewals, as applicable.

As on the date of this Draft Red Herring Prospectus, we have applied for and obtained all the aforementioned Key Approvals, as applicable, and all such Key Approvals are valid and subsisting, and there are no Key Approvals for which we are yet to make an application.

### III. INTELLECTUAL PROPERTY

#### *Trademarks*

As on the date of this Draft Red Herring Prospectus, set forth below are our registered trademarks, the details of which are set forth below:

S. No	Particulars	Description	Registration number	Date of application/Renewal
1.	Under class 35		1308357	December 10, 2014
2.	Under class 42		1308358	December 10, 2014

As on the date of this Draft Red Herring Prospectus, set forth below are the trademarks we have applied for but not yet received, the details of which are set forth below.

S. No	Particulars	Description	Application number	Date of application/Renewal
1.	Under class 41		2868643	December 24, 2014
2.	Under class 35		3583218	July 3, 2017

#### *Copyright*

As on the date of this Draft Red Herring Prospectus, we have filed one application registration of copyright, the details of which are set forth below.

S. No	Particulars	Description	Application number/Diary Number	Date of application/Renewal
1.	In Accordance with section 45	Computer Software works	Diary Number: 3526/2018-CO/SW	March 8, 2018

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

#### *Corporate Approvals*

- Our Board has authorised the Offer including the Fresh Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act 2013, by a resolution dated January 4, 2018.
- Our shareholders have, pursuant to a special resolution passed on March 16, 2018 under Section 62(1)(c) of the Companies Act 2013, authorised the Fresh Issue.
- Our Board has taken on record the Offer for Sale by the Selling Shareholder pursuant to its resolution dated March 26, 2018.
- Our Board has approved and adopted this Draft Red Herring Prospectus pursuant to its resolution dated March 26, 2018.
- The IPO Committee has, on March 29, 2018 approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

#### *Approval from the Selling Shareholder*

Mr. Rajendra Prasad Yadav has confirmed and approved the transfer of 1,000,000 Equity Shares pursuant to the Offer for Sale in accordance with his consent letter dated March 26, 2018.

The Selling Shareholder specifically confirms that, as required under Regulation 26(6) of the SEBI ICDR Regulations, he has held the Equity Shares proposed to be offered and sold by him in the Offer for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and, to the extent that the Equity Shares being offered by him in the Offer have not been held by him for a period of at least one year prior to the filing of this Draft Red Herring Prospectus and where such Equity Shares have resulted from a bonus issue, such bonus issue has been on Equity Shares held for a period of at least one year prior to the filing of this Draft Red Herring Prospectus. Further, in this regard, the Company confirms that the bonus issue was not undertaken by capitalizing or by utilization of revaluation reserves or unrealised profits of the Company. Therefore, the Equity Shares offered by the Selling Shareholder in the Offer are eligible to be offered for sale in the Offer.

#### *In-principle Listing Approvals*

Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by the SEBI, the RBI or Governmental Authorities

None of our Company, our Promoters, members of our Promoter Group, our Directors or persons in control of our Company are or have been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities. Neither our Promoters, nor any of our Directors or persons in control of our Company were or are 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 the SEBI or any other governmental authorities. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

The Selling Shareholder, specifically confirms that he has not been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority. Further, the Selling Shareholder, specifically confirms that he has not been declared as a wilful defaulter, as defined under the SEBI ICDR Regulations. There are no violations of securities laws committed by the Selling Shareholder in the past or currently pending against him.

None of our Directors are in any manner associated with the securities market, including any securities market related business and no action has been taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

Neither our Company, nor our Promoters or their relatives (as defined under the Companies Act), nor any member of our Promoter Group nor our Directors, are or have been declared as wilful defaulters, as defined by the SEBI ICDR Regulations.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations as described below:

“An issuer may make an initial public offer, if:

(a) it has net tangible assets of at least three crore rupees in each of the preceding three full years (of twelve months each), of which not more than fifty per cent are held in monetary assets:

Provided that if more than fifty per cent of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project;

Provided further that the limit of fifty per cent on monetary assets shall not be applicable in case the public offer is made entirely through an offer for sale.

(b) it has a minimum average pre-tax operating profit of rupees fifteen crore, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years.

(c) it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each);

(d) the aggregate of the proposed issue and all previous issues made in the same financial year in terms of the issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year;

(e) if it has changed its name within the last one year, at least fifty per cent of the revenue for the preceding one full year has been earned by it from the activity indicated by the new name.”

Set forth below are our Company’s pre-tax operating profit, net tangible assets, monetary assets, including as a percentage of our net tangible assets; and net worth, derived from our Restated Financial Statements included in this Draft Red Herring Prospectus.

Particulars	(₹ in million)				
	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
Pre-tax operating profit <sup>(1)</sup>	213.91	168.00	125.58	99.73	63.54
Net worth <sup>(2)</sup>	557.79	361.77	261.73	185.41	124.99
Net tangible assets <sup>(3)</sup>	1,414.54	1,079.29	820.79	637.71	472.30
Monetary assets <sup>(4)</sup>	335.90	296.56	172.37	124.32	123.70
Monetary assets as a % of net tangible assets <sup>(4/3)</sup>	23.75%	27.48%	21.00%	19.49%	26.19%

Notes:

1. Pre-tax operating profits is defined as profit before finance costs, other income, exceptional items and tax.
2. Net Worth is sum of subscribed and paid up equity capital and reserves and surplus of the Company as per Restated Financial Information in accordance with Regulation 2(1)(v) of the SEBI Regulations.
3. Net tangible assets is the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India, in accordance with Explanation (I) of Regulation 26 of SEBI Regulations.
4. Monetary assets represent the sum of cash and bank balance in current and deposits accounts.

Our average pre-tax operating profit, calculated on a restated basis, during the three most profitable years being Fiscal 2017, Fiscal 2016 and Fiscal 2015, out of the immediately preceding five years is ₹ 169.16 million.

The aggregate size of the Offer and all issues made in fiscal 2018, until the date of this Draft Red Herring Prospectus, does not exceed five times our Company’s pre-Offer net worth as per the audited balance sheet as at March 31, 2017. Further, we confirm that our Company has not changed its name during the one year immediately preceding the date of this Draft Red Herring Prospectus.

Hence, we are eligible for the Offer as per Regulation 26(1) of the SEBI ICDR Regulations. Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, otherwise, the entire application money will be refunded forthwith. If our Company does not allot Equity Shares pursuant to the Offer within five Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, we shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum or such other rate prescribed by SEBI for the delayed period.

#### **DISCLAIMER CLAUSE OF THE SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING SBI CAPITAL MARKETS LIMITED AND YES SECURITIES (INDIA) LIMITED (TOGETHER "BRLMs"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING SBI CAPITAL MARKETS LIMITED AND YES SECURITIES (INDIA) LIMITED, HAVE FURNISHED TO THE SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 29, 2018 WHICH READS AS FOLLOWS:**

**WE, THE BRLMs TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS DATED MARCH 29, 2018 PERTAINING TO THE SAID OFFER;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDER, WE CONFIRM THAT:**
  - A. THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS ETC., FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT 1956, TO**

**THE EXTENT APPLICABLE, THE COMPANIES ACT 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND UNTIL DATE SUCH REGISTRATIONS ARE VALID; - COMPLIED WITH AND NOTED FOR COMPLIANCE**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS - NOTED FOR COMPLIANCE;**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT RED HERRING PROSPECTUS WITH THE SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS;**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS; - COMPLIED WITH AND NOTED FOR COMPLIANCE**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION WILL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER - NOT APPLICABLE;**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION; - COMPLIED WITH TO THE EXTENT APPLICABLE;**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED IN THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT 2013;**

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE - NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALIZED FORM ONLY;
11. WE CERTIFY THAT ALL 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 THIS DRAFT RED HERRING PROSPECTUS:
  - a. AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
  - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER - NOTED FOR COMPLIANCE;
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. - COMPLIED WITH;
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 THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY - COMPLIED WITH;
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR - COMPLIED WITH;
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH THE APPLICABLE ACCOUNTING STANDARD IN THE RESTATED FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THIS DRAFT RED HERRING PROSPECTUS AND AS CERTIFIED BY SSKA & ASSOCIATES, CHARTERED ACCOUNTANTS, PURSUANT TO THEIR CERTIFICATE DATED MARCH 28 2018;
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS. (IF APPLICABLE). - NOT APPLICABLE.

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up, at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 32 of the Companies Act 2013.

### Price Information of past issues handled by the BRLMs

#### **SBI Capital Markets Limited**

1. Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by SBI Capital Markets Limited.

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
1	Hindustan Aeronautics Limited <sup>7</sup>	41,131.33	1215.00	March 26, 2018	1169.00	NA	NA	NA
2	Bharat Dynamics Limited <sup>4</sup>	9,527.88	428.00	March 23, 2018	370.00	NA	NA	NA
3	H.G. Infra Engineering Limited	4620.00	270.00	March 09, 2018	270.00	NA	NA	NA
4	Amber Enterprises India Limited <sup>5</sup>	5,995.99	859.00	January 30, 2018	1,180.00	+27.40% [-5.13%]	NA	NA
5	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	+3.61% [-3.19%]	+8.12% [+2.05%]	NA
6	SBI Life Insurance Company Limited <sup>6</sup>	83,887.29	700.00	October 3, 2017	735.00	-7.56% [+5.89%]	-0.07% [+4.56%]	NA
7	Cochin Shipyard Limited	14,429.30	432.00	August 11, 2017	435.00	+30.24% [+2.14%]	+30.51% [+6.42%]	+20.02% [+9.55%]
8	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-3.29% [+1.17%]	+3.14% [+5.40%]	+39.12% [+8.62%]
9	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	+127.92% [+5.84%]	+128.86% [+2.26%]	+146.71% [+10.61%]
10	Housing and Urban Development Corporation Limited	12,095.70	60.00	May 19, 2017	73.45	+13.08% [+2.78%]	+34.58% [+4.29%]	+35.75 [8.13%]

Source: [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com)

**Notes:**

1. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
2. The designated exchange for the issue has been considered for the price, benchmark index and other details.
3. The number of Issues in Table-1 is restricted to 10.
4. Employee Discount and Retail Discount of Rs.10 per Equity Share to the Offer Price
5. Employee Discount of Rs.85 per Equity Share to the Offer Price
6. Offer Price was Rs. 632.00 per equity share to Eligible Employee
7. Employee Discount and Retail Discount of Rs. 25 per Equity Share to the Offer Price

2. *Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by SBI Capital Markets Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-18	10	200,145.60	-	-	2	1	2	2	-	-	-	1	2	1
2016-17	7	129,691.00	-	-	3	1	1	2	-	1	1	2	2	1
2015-16*	4	18,163.78	-	-	1	-	-	3	-	-	2	1	-	1

\*Based on issue closure date

**YES Securities (India) Limited**

1. *Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by YES Securities (India) Limited*

Sr. No.	Issue Name	Issue Size (Rs. million)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date (in Rs.)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	Varun Beverages Limited	11,125.00	445.00	November 08, 2016	430.00	-5.00% - change in closing price; -3.47% - change in closing benchmark	-9.36% - change in closing price; +3.01% - change in closing benchmark	+10.60% - change in closing price; +9.02% - change in closing benchmark
2	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	+127.92% - change in closing price; +5.84% - change in closing benchmark	+128.62% - change in closing price; +2.61% - change in closing benchmark	+139.03% - change in closing price; +10.19% - change in closing benchmark
3	GTPL Hathway Limited	4,848.00	170.00	July 4, 2017	170.00	-13.32% - change in closing price; +4.16% - change in closing benchmark	-18.88% - change in closing price; +2.56% - change in closing benchmark	-3.68% - change in closing price; +8.55% - change in closing benchmark
4	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-1.88% - change in closing price; +1.89% - change in closing benchmark	+3.14% - change in closing price; +4.92% - change in closing benchmark	+45.54% - change in closing price; +6.90% - change in closing benchmark
5	Dixon Technologies (India) Limited	5,992.79	1,766	September 18, 2017	2,725.00	+50.78% - change in closing price; +0.57% - change in closing benchmark	+98.26% - change in closing price;	+92.73% - change in closing price; -0.58% - change in closing benchmark

Sr. No.	Issue Name	Issue Size (Rs. million)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date (in Rs.)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
							+2.32% - change in closing benchmark	
6	Reliance Nippon Life Asset Management Company Limited	15,422.40	252.00	November 06, 2017	295.90	+1.21% - change in closing price; -3.90% - change in closing benchmark	+8.12% - change in closing price; +2.05% - change in closing benchmark	-
7	The New India Assurance Company Limited	96,000.00	800.00	November 13, 2017	750.00	-29.83% - change in closing price; -0.31% - change in closing benchmark	-7.81% - change in closing price; +3.08% - change in closing benchmark	-
8	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.09% - change in closing price; +3.85% - change in closing benchmark	+6.27% - change in closing price; -2.83% - change in closing benchmark	-
9	Aster Healthcare Limited	9,801.37	190.00	February 26, 2018	183.00	-	-	-
10	Bharat Dynamics Limited	9,609.44	428.00	March 23, 2018	370.00	-	-	-

**Notes:**

- Benchmark Index taken as CNX NIFTY
- Price on NSE is considered for all of the above calculations
- % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index on the day of the listing date.
- The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day has been considered for the computation.

2. *Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by YES Securities (India) Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-2018	9	161,206.66	-	1	2	2	-	2	1	-	1	1	1	-
2016-2017	2	15,125.00	-	-	1	1	-	-	-	-	-	1	-	1
2015-2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Notes:**

Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date.  
The information for the financial year is based on issue listed during such financial year.

**Track record of past issues handled by the BRLMs**

For details regarding the track record of the BRLMs, as specified under circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs mentioned below.

BRLMs	Website
SBI Capital Markets Limited	www.sbicaps.com
YES Securities (India) Limited	www.yesinvest.in

### **Caution – Disclaimer from our Company, our Directors, the Selling Shareholder, the BRLMs**

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, [www.geniusconsultant.com](http://www.geniusconsultant.com), or any website of any of the members of our Promoter Group, or any affiliate of our Company or the Selling Shareholder, would be doing so at his or her own risk. The Selling Shareholder accepts no responsibility for any statements made or undertakings provided other than those made by him, and only in relation to him and/or to the Equity Shares offered by him through the Offer for Sale and included in this Draft Red Herring Prospectus.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the BRLMs, the Selling Shareholder and our Company and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholder and our Company.

All information shall be made available by our Company, the Selling Shareholder, and the BRLMs to the Bidders and public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company, the Selling Shareholder nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

The BRLMs and their respective associates may engage in transactions with, and perform services for our Company, the Selling Shareholder and their respective affiliates or associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or the Selling Shareholder or their respective affiliates or associates for which they have received, and may in future receive agreed compensation.

Bidders agree that bid in the Offer will be required to confirm, and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

### **Disclaimer in respect of Jurisdiction**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families (“HUFs”), companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under the applicable trust laws, and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, venture capital funds, permitted insurance companies, Systemically Important Non-Banking Financial Companies and pension funds and, to permitted non-residents including Eligible NRIs, AIFs), FPIs and QIBs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to the Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Kolkata, West Bengal, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in respect of the Selling Shareholder from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States only in offshore transactions in reliance on Regulation S and pursuant to the applicable laws of the jurisdiction where those offers and sales occur.**

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

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

#### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to us shall be included in the Red Herring Prospectus prior to filing with the RoC.

#### **Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to us shall be included in the Red Herring Prospectus prior to filing with the RoC.

#### **Filing**

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at Kolkata.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act 2013, and a copy of the Prospectus required to be filed under Sections 26 and 32 of the Companies Act 2013 will be delivered for registration to the RoC situated at the address mentioned below.

#### ***Registrar of Companies, West Bengal***

Nizam Palace, 2nd MSO Building  
2nd Floor, 234/4, A.J.C. Bose Road  
Kolkata 700 020  
West Bengal, India

**Telephone:** +91 33 2287 7390

**Facsimile:** +91 33 2290 3795

#### **Listing**

Applications have been made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalised for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other time prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

The Selling Shareholder undertakes to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within six working days from the Bid/Offer Closing Date or such other time prescribed by SEBI.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

*“Any person who –*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Consents**

Consents in writing of (a) the Selling Shareholder, our Directors, the Chief Financial Officer, the Company Secretary and compliance officer of our Company, the Auditors, the legal counsel, the Bankers to our Company, lenders (where such consent is required), industry sources, third party chartered accountants, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Monitoring Agency, Bankers to the Offer/Escrow Collection Bank and Refund Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 and 32 of the Companies Act 2013. Further, such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus and shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the SEBI and RoC, as applicable.

Our Company has received consent dated March 20, 2018 from the Auditor, Walker Chandiook & Co. LLP, Chartered Accountants, to include its name in this Draft Red Herring Prospectus as required under Section 26(1)(a)(v) of the Companies Act 2013 and as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as the statutory auditor of our Company and in respect of their examination report dated March 16, 2018 on our Restated Financial Statements and in respect of the Statement of Tax Benefits dated March 20, 2018, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **Expert Opinion**

Except for the examination report of our Auditors on the Restated Financial Statements and the Statement of Tax Benefits dated March 16, 2018 and March 20, 2018, respectively included in this Draft Red Herring Prospectus, on pages 147 and 79, respectively, our Company has not obtained any expert opinion.

### **Offer related Expenses**

For details of Offer related expenses, see *“Objects of the Offer - Offer related Expenses”* on page 73.

### **Fees, Brokerage and Selling Commission**

The total fees payable to the BRLMs and the Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the engagement letter dated September 1, 2017 and the Syndicate Agreement to be executed among our Company, the Selling Shareholder and the members of the Syndicate.

### **Fees Payable to the Registrar to the Offer**

The fees payable to the Registrar to the Offer, including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the Registrar Agreement, a copy of which shall be made available for inspection at our Registered Office, from 10.00 a.m. to 4.00 p.m.

### **Particulars regarding Public or Rights Issues during the Last Five Years**

Our Company has not undertaken any public issues, including any rights issues to the public during the five years immediately preceding the date of this Draft Red Herring Prospectus.

### **Commission or Brokerage on Previous Issues**

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares, since the incorporation of our Company.

### **Previous Issues Otherwise than for Cash**

Except as disclosed in “*Capital Structure*” on page 56, our Company has not issued any Equity Shares for consideration otherwise than for cash.

### **Capital Issues in the Preceding Three Years**

Except as disclosed in “*Capital Structure*” on page 56, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

### **Performance vis-à-vis Objects**

Our Company has not undertaken any public issues, including any rights issues to the public in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

### **Performance vis- à-vis Objects: Last Issue of Subsidiaries, Group Companies and Associate Companies**

As on the date of this Draft Red Herring Prospectus, our Company does not have any Subsidiaries, Group Companies or Associate Company.

### **Outstanding Debentures, Bonds or Redeemable Preference Shares**

Our Company does not have any outstanding debentures, bonds or redeemable preference shares, as on the date of this Draft Red Herring Prospectus.

### **Partly Paid-Up Shares**

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

### **Stock Market Data of the Equity Shares**

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

## **Mechanism for Redressal of Investor Grievances**

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors may contact the Company Secretary and compliance officer of our Company and/ or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of refunds by electronic mode or unblocking of ASBA accounts etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid-cum Application Form was submitted, giving full details such as name of the sole or first ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of ASBA Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

Our Company, the BRLMs and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Syndicate Members, CRTAs, Registered Brokers and CDPS, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

### **Disposal of Investor Grievances by our Company**

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven 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.

Our Company has appointed Indrajit Poddar, our Company Secretary, as our compliance officer and he may be contacted in case of any pre-Offer or post-Offer related grievances, at the address set forth hereunder.

#### **Indrajit Poddar**

##### **Genius Consultants Limited**

Synthesis Business Park, Tower 1 C, First Floor

CBD/1, Action Area II New Town

Kolkata 700157, West Bengal, India

**Telephone:** +91 33 6607 5868

**Facsimile:** +91 33 6607 5802

**Email:** ipoddar@geniusconsultant.com

The Selling Shareholder has authorised the compliance officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Further, our Board has constituted a Stakeholders' Relationship Committee comprising our Directors, Mr. Vipul Kundalia (*chairman*), Mr. Swapnesh Kumar (*member*) and Ms. Rashmi Yadav Korada (*member*), which is responsible for redressal of grievances of the security holders of our Company. For more information, see "***Our Management – Corporate Governance – Stakeholders' Relationship Committee***" on page 137.

### **Disposal of investor grievances by listed Group Companies**

As on the date of this Draft Red Herring Prospectus, our Company has no Group Companies.

### Changes in Auditors

Name of Auditor	Date of change	Reason
SSKA & Associates, Chartered Accountants	September 15, 2017	Resignation
Walker Chandiok & Co. LLP, Chartered Accountants	September 25, 2017	Appointment

### Capitalization of Reserves or Profits

Except as disclosed in “*Capital Structure*” in page 56, our Company has not capitalised its reserves or profits at any time during the five years immediately preceding the date of this Draft Red Herring Prospectus.

### Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

**SECTION VII – OFFER RELATED INFORMATION**  
**OFFER STRUCTURE**

The Offer is of up to [●] Equity Shares of face value of ₹ 10 each, at an Offer Price of ₹ [●] per Equity Share for cash, including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] million and is being made through the Book Building Process. The Offer comprises a Fresh Issue of up to [●] Equity Shares by our Company aggregating to ₹ 1,700 million and an Offer for Sale of up to 1,000,000 Equity Shares aggregating to ₹ [●] million by the Selling Shareholder. In terms of Rule 19(2)(b)(i) of the SCRR, read with Regulation 41 of the SEBI ICDR Regulations the Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations.

The Offer is being made through Book Building Process.

	QIBs*	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation**	Not more than [●] Equity Shares	Not less than [●] Equity Shares or Offer less allocation to QIBs and Retail Individual Investors	Not less than [●] Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer size available for allocation	Not more than 50% of the Offer will be available for allocation to QIBs. However, 5% of the QIB Category, excluding the Anchor Investor Portion, will be available for allocation proportionately to Mutual Funds only subject to valid Bids being received at or above the Offer Price. Mutual Funds participating in the 5% reservation portion will also be eligible for allocation in the remaining QIB Category. The unsubscribed portion in the Mutual Fund portion, if any, will be available for allocation to QIBs	Not less than 15% of the Offer or Offer less allocation to QIBs and Retail Individual Investors	Not less than 35% of the Offer or the Offer less allocation to QIBs and Non-Institutional Investors
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion):  (a) [●] Equity Shares will be available for allocation on a proportionate basis to Mutual Funds subject to valid Bids being received at or above the Offer Price; and  (b) [●] Equity Shares will be available for allocation on a proportionate basis to QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate	Allotment shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. For more information, see “ <i>Offer Procedure</i> ” on page 226.
Mode of Bidding	Through ASBA process only (except Anchor Investors)		
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form		

	QIBs*	Non-Institutional Investors	Retail Individual Investors
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Category	
Trading Lot	One Equity Share		
Who can Apply***	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than category III FPIs), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, AIFs, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the Government of India, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts and any category III FPIs registered with SEBI, which is a foreign corporate or foreign individual for Equity Shares such that the Bid Amount exceeds ₹ 2,00,000 in value	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000 in value
Terms of Payment****	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids</p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the ASBA account of the Bidders (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form</p>		

\* Our Company in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above Anchor Investor Allocation Price.

\*\*In terms of Rule 19(2)(b)(i) of the SCRR, read with Regulation 41 of SEBI ICDR Regulations, the Offer is being made through the Book Building Process, in compliance with 26(1) of SEBI ICDR Regulations wherein not more than 50% of the Offer will be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable laws.

\*\*\*If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

\*\*\*\* Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form.

*Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

### **Withdrawal of the Offer**

Our Company and the Selling Shareholder in consultation with the BRLMs, reserve the right not to proceed with the Offer at any time after the Bid/Offer Closing Date but before Allotment. If our Company and the Selling Shareholder withdraw the Offer, our Company will issue a public notice within two days from the Bid/Offer Closing Date or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, 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-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and/or the Selling Shareholder withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, they will file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within six Working Days of the Bid/ Offer Closing Date; and (ii) the final RoC approval of the Prospectus which will be filed with the RoC after the Bid/ Offer Closing Date.

Except in relation to Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period at the Bidding Centers, except that on the Bid/Offer Closing Date (which for QIBs is maybe a day prior to the Bid/Offer Closing Date for non-QIBs), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Investors. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges. Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. If a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Our Company, the Selling Shareholder and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days.

Our Company and the Selling Shareholder in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a press release and by indicating the change on the website of the Designated Intermediaries. However, in case of revision in the Price Band, the Bid Lot shall remain the same.**

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

## TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the abridged prospectus and other terms and conditions as may be incorporated in the Confirmation of allocation notes (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by the SEBI, Government of India, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by SEBI, RBI and/or any regulatory authority while granting approval for the Offer.

### Ranking of Equity Shares

The Equity Shares being offered and Allotted in the Offer will be subject to the provisions of the Companies Act, SEBI Listing Regulations, the Memorandum of Association and the Articles of Association and will rank *pari passu* with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For more information, see “**Main Provisions of the Articles of Association**” on page 271.

### Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares in the Offer for Sale) in this Offer, will be received by the Allottees. For more information, see “**Dividend Policy**” on page 146.

### Face Value and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. At any given point of time there will be only one denomination for the Equity Shares.

The Price Band and the minimum Bid Lot will be decided by our Company and the Selling Shareholder in consultation with the BRLMs, and published by our Company in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Bengali daily, Bengali being the regional language of Kolkata, where our Registered Office is located) at least five Working Days prior to the Bid/Offer Opening Date, in, and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the respective websites of the Stock Exchanges.

### Rights of the Equity Shareholder

Subject to applicable law and our Articles of Association, the Equity Shareholders will 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 and e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend,

forfeiture, lien, transfer, transmission, consolidation and splitting, see “*Main Provisions of the Articles of Association*” on page 271.

### **Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act 2013, the Equity Shares will be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of our Equity Shares will only be in dematerialised form.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “*Offer Procedure*” on page 226.

### **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-tenants with benefits of survivorship.

### **Nomination Facility**

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or First Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, as amended, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder’s death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

### **Bid/Offer Period**

<b>BID/OFFER OPENS ON*</b>	[●]
<b>BID/OFFER CLOSES ON</b>	[●]

*\* Our Company and the Selling Shareholder, in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date. In addition, our Company and the Selling Shareholder may, in consultation with the BRLMs, decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date.*

**This timetable, other than Bid/Offer Opening and Closing Dates, is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholder or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date or such other timeline prescribed by SEBI, the timetable may be subject to change for various reasons, including**

extension of Bid/Offer period by our Company due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law.

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

<b>FINALIZATION OF BASIS OF ALLOTMENT</b>	[●]
<b>INITIATION OF REFUNDS FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS</b>	[●]
<b>CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS</b>	[●]
<b>COMMENCEMENT OF TRADING</b>	[●]

### Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Fresh Issue, including through the devolvement to the Underwriters within 60 days from the Bid/ Offer Closing Date, as applicable, our Company shall forthwith refund the entire subscription monies received within the timelines prescribed under applicable laws, failing which, the directors of our Company who are officers in default shall, jointly and severally, be liable to repay that money with interest at the rate of 15% per annum or such other rate as prescribed by SEBI. This is further subject to the compliance with Regulation 19(2)(b)(i) of the SCRR. Further in terms of Regulation 26(4) of the SEBI ICDR Regulations, our Company will ensure that the number of Bidders to whom the Equity Shares are Allotted in the Offer will be not less than 1,000.

The requirement for minimum subscription is not applicable to the Offer for Sale in accordance with SEBI ICDR Regulations.

In the event of under subscription in the Offer, the Selling Shareholder, the BRLMs and our Company agree that Equity Shares equivalent to 90% of the Fresh Issue shall be issued prior to the sale of Equity Shares forming part of the Offer for Sale, after which the balance subscription in the Offer shall be applied towards allotment of Equity Shares offered by each Selling Shareholder in the Offer for Sale and upon the utilisation of subscriptions towards the Offer for Sale, the balance portion of the Fresh Issue, in a proportionate manner.

### Arrangement for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

### Restriction on Transfer of Shares

Except for lock-in of pre-Offer equity shareholding and Anchor Investor lock-in in the Offer, as detailed in “*Capital Structure*” on page 56 and as provided in our Articles as detailed in “*Main Provisions of the Articles of Association*” on page 271, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting.

### Option to receive Equity Shares in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013, allotment of Equity Shares to successful Bidders will only be in the dematerialised form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialised segment of the Stock Exchanges.

## OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, notified by SEBI (“**General Information Document**”) included below under section titled “**Offer Procedure – Part B - General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and provisions of the Companies Act 2013, to the extent applicable to a public issue and any other enactments and regulations. The General Information Document is also available on the websites of the Stock Exchanges, the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

Our Company, the Selling Shareholder and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

### PART A

#### Book Building Procedure

The Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of SEBI ICDR Regulations, wherein not more than 50% of the Offer will be available for allocation to QIBs on a proportionate basis, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, of which at least one-third will be available for allocation to domestic Mutual Funds, in accordance with the SEBI ICDR Regulations and subject to valid Bids being received at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received from the domestic Mutual Funds at or above the Offer Price. In case of under subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category. The remainder will be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Furthermore, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

## **Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries, at relevant Bidding Centers, at our Registered and Corporate Office. The Bid cum Application Forms will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. However, Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors) must provide bank account details and authorisation by the ASBA bank account holder to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected.

Further, such Bidders shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp maybe liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum Application Form*</b>
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FPIs and Eligible NRIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors**	White

\* Excluding electronic Bid cum Application Forms

\*\*Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

## **Participation by associates and affiliates of the BRLMs and the Syndicate Member, Promoters, Promoter Group and persons related to Promoter/Promoter Group**

The BRLMs and the Syndicate Members shall not be allowed to purchase in the in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds sponsored by entities related to the BRLMs, the BRLMs and any persons related to the BRLMs, Promoters and Promoter Group cannot apply in the Offer under the Anchor Investor Portion.

## **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason therefor. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRIs applying on a repatriation basis should authorise their SCSBs to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) accounts, and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Pursuant to applicable provisions of FEMA and the rules and regulations made thereunder and the resolutions dated March 16, 2018 of our Board and shareholders, respectively, the aggregate amount of investment by NRIs is 20% in the paid-up share capital of our Company.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

### **Bids by FPI**

In terms of the SEBI FPI Regulations, investment in the Equity Shares by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be below 10% of our post-Offer Equity Share capital. Pursuant to applicable provisions of FEMA and the rules and regulations made thereunder and resolutions dated March 16, 2018 of our Board and shareholders, respectively, the aggregate amount of investment by FPIs is 49% in the paid-up share capital of our Company.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPIs and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) such offshore derivative instruments shall not be issued to or transferred to persons who are resident Indians or NRIs or to entities beneficially owned by resident Indians or NRIs. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

- (a) offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

## **SEBI registered Alternative Investment Funds and Venture Capital Funds**

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (“**SEBI AIF Regulations**”), among others prescribe the investment restrictions on AIFs.

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 category I AIF, cannot invest more than one-third of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Post the repeal of the SEBI VCF Regulations, the venture capital funds which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “**Banking Regulation Act**”), and Master Directions- Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks’ own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company’s paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the “**IRDA Investment Regulations**”), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, Systemically Important Non-Banking Financial Companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLMs may deem fit.

### **Bids by Anchor Investors**

For details in relation to Bids by Anchor Investors, see the section entitled “*Offer Procedure – Part B – General Information Document for Investing in Public Issues*” on page 337.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Draft Red Herring Prospectus.

### **In accordance with RBI regulations, OCBs cannot participate in the Offer.**

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form.

Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●] (a widely circulated English national newspaper) and [●] editions of [●] (a widely circulated Hindi national newspaper) and [●] editions of [●] (a widely circulated Bengali daily), Bengali being the regional language of Kolkata, where our Registered Office is located. Our Company shall, in the pre- Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

## **Signing of Underwriting Agreement and filing of Prospectus with the RoC**

Our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

### **General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
5. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;
7. If the first applicant is not the ASBA account holder, ensure that the Bid cum Application Form is signed by the ASBA account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive an acknowledgement in the form of a counterfoil or by specifying the application number from the concerned Designated Intermediary;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
12. Instruct your respective banks to release the fund blocked in the ASBA Account under the ASBA process;
13. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the

securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Ensure that the Demographic Details are updated, true and correct in all respects;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of you Bid in the electronic Bidding system of the Stock Exchanges;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with;
23. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>).
24. Ensure that you tick the correct investor category, as may be applicable, in the Bid cum Application Form to ensure proper upload of the Bid in the online IPO system of the Stock Exchanges; and
25. Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Anchor Investors should not Bid through the ASBA process;
6. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
7. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
8. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
10. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise; and
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository).
17. Do not withdraw your Bid or lower the size of your Bid (in terms of number of Equity Shares or Bid amount), if you are a QIB or a Non-Institutional Bidder.
18. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.
19. From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
20. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Offer Closing Date.
21. If you are a Non- Institutional Bidder or Retail Individual Bidder do not submit your Bid after 3.00 p.m. on the Bid/ Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Payment into Anchor Escrow Account**

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. The payment instruments for payment into the Anchor Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: “[●]”
- (ii) In case of non-resident Anchor Investors: “[●]”

#### **Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among the Company, the respective Depositories and the

Registrar to the Offer:

- Agreement dated February 28, 2018 among NSDL, the Company and the Registrar to the Offer.
- Agreement dated March 7, 2018 among CDSL, the Company and Registrar to the Offer.

### **Undertakings by our Company**

Our Company undertakes the following:

- (i) That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other timeline as prescribed by SEBI;
- (iii) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/ Offer Closing Date, or such time period as specified by SEBI, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund;
- (iv) That no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.;
- (v) That the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- (vi) That if our Company or the Selling Shareholder do not proceed with the Offer after the Bid/Offer Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- (vii) That if our Company and the Selling Shareholder withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with the SEBI, in the event our Company or the Selling Shareholder subsequently decides to proceed with the Offer;
- (viii) That the allotment of Allotment Advice/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- (ix) That adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- (x) That our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received; and
- (xi) That the Allotment Advice will be issued or the application money will be refunded/unblocked within such time as specified by the SEBI, failing which interest will be paid to the Bidders at the rate prescribed under applicable law for the delayed period.

The Promoters have authorised the compliance officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

### **Undertakings by the Selling Shareholder**

The Selling Shareholder undertakes and/ or confirms the following:

- (i) The Equity Shares offered pursuant to the Offer for Sale have been held by the Selling Shareholder for a period of at least one year prior to the date of the Draft Red Herring Prospectus, and are free and clear of

any liens or encumbrances and, to the extent that the Equity Shares being offered have resulted from a bonus issue, the bonus issue has been on equity shares held for a period of at least one year prior to the filing of the Draft Red Herring Prospectus.

- (ii) The Selling Shareholder is the legal and beneficial owner of and has full title to Equity Shares being offered through the Offer for Sale.
- (iii) The Selling Shareholder will not have recourse to the proceeds of the Offer for Sale, until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;
- (iv) The Selling Shareholder will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered in the Offer for Sale;
- (v) The Selling Shareholder shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- (vi) The Selling Shareholder will take all such steps as may be required to ensure that the Equity Shares being sold by him in the Offer for Sale are available for transfer in the Offer for Sale; and
- (vii) It will provide assistance to the Company, as may be reasonably required and necessary in accordance with applicable laws, for the completion of the necessary formalities in relation to the Equity Shares being offered by him under the Offer for Sale.

The Selling Shareholder has authorized the compliance officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

#### **Utilization of Net Proceeds**

Our Board certifies that:

- (i) our Company and the Selling Shareholder, respectively, declare that all monies received from the Fresh Issue and the Offer for Sale shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act 2013.
- (ii) details of all monies utilised out of the Fresh Issue referred to in sub item (i) shall be disclosed and continue to be disclosed until the time any part of the Net proceeds remains unutilised, under an appropriate separate head in the balance-sheet of the Issuer indicating the purpose for which such monies had been utilised; and
- (iii) details of all unutilised monies out of the Fresh Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

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**PART B**  
**General Information Document for Investing in Public Issues**

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.*

**SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“**RHP**”)/ Prospectus filed by the Issuer with the RoC. Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Offer and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

**SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs**

**2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

**2.2 Further public offer (FPO)**

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

**2.3 Other Eligibility Requirements:**

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act 2013 (to the extent notified and in effect), the Companies Act 1956 (to the extent applicable), the SCRR, industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

## **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Offer (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-offer advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

## **2.5 OFFER PERIOD**

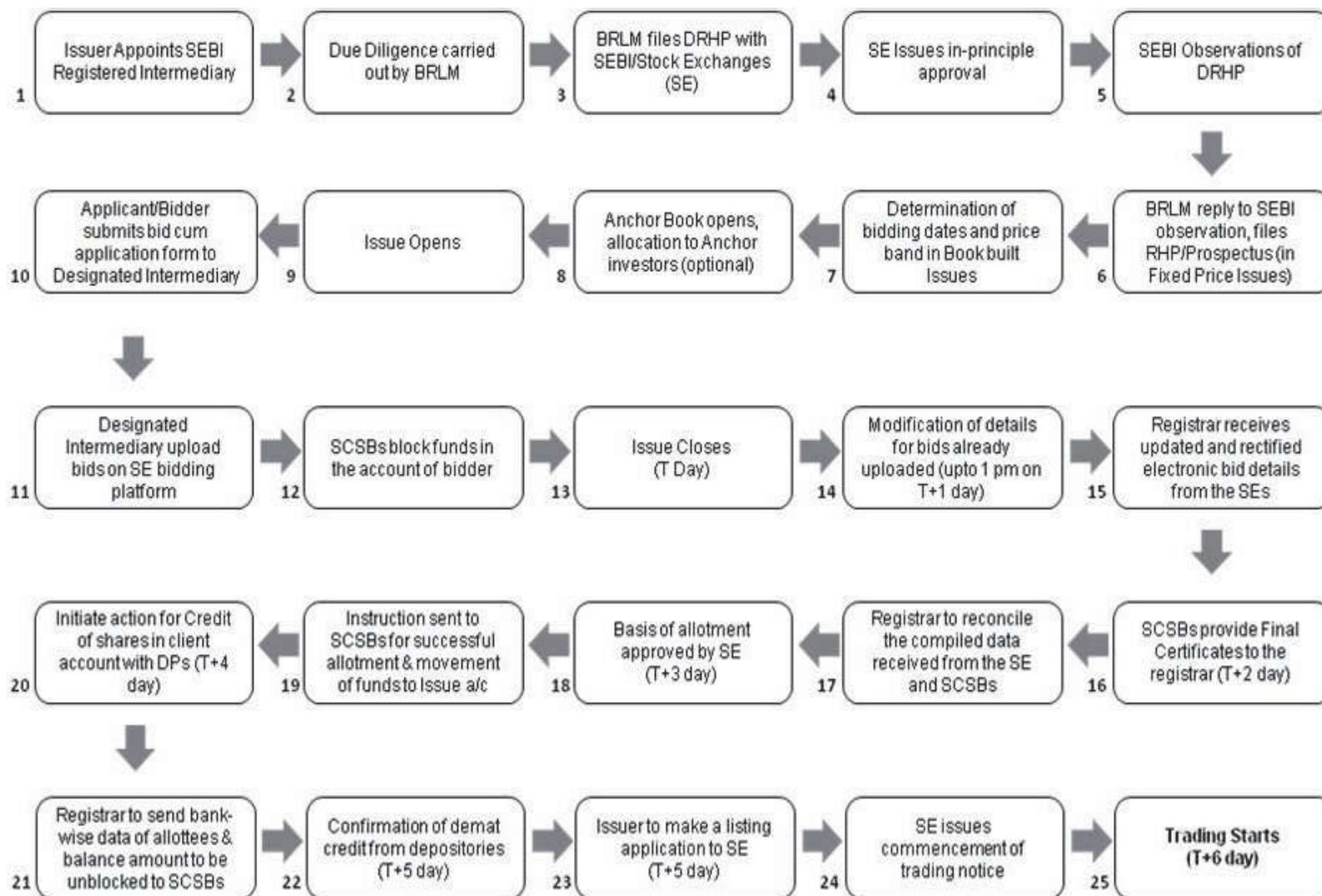
The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

## **2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7 : Determination of Offer Date and Price
  - ii. Step 10: Applicant submits Bid cum Application Form with Designated Intermediaries.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Bidder/Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares; Scientific and/or industrial research organisations in India, authorised to invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the BRLM, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus. For Anchor Investors, Bid cum Application Forms shall be available at the offices of the BRLM.

**Fixed Price Issue:** Applicants should only use the specified Bid cum Application Form bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FPIs on a repatriation basis	Blue

Category	Colour of the Bid cum Application Form
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

**4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM**

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

## Application Form – For Residents

TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
	Address : ..... Contact Details: ..... CIN No. ....	

LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : .....	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr / Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BROKER BANK/SCSB BRANCH STAMP & CODE	Address <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
		Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	2. PAN OF SOLE / FIRST BIDDER
		<span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	6. INVESTOR STATUS <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CB <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indian - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH																											
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")	5. CATEGORY <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bid must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Bid Options	No. of Equity Shares Bid (In Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	Bid Price	Retail Discount	Net Price	Option 1	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<input type="checkbox"/>	(OR) Option 2	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<input type="checkbox"/>	(OR) Option 3	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<input type="checkbox"/>	* HUF should apply only through Karta (Application by HUF should be treated on par with Individual)
Bid Options			No. of Equity Shares Bid (In Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)																					
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7. PAYMENT DETAILS Amount paid (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> (₹ in words) _____	PAYMENT OPTION: FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	
Bank Name & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AGREEMENTS/PROSPECTUS AND THE GENERAL INFORMATION FOR INVESTOR IN PUBLIC ISSUE ("GIP") AND HEREBY AGREE AND CONFIRM THE "BIDDERS' UNDERTAKING" AT GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING OF THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER _____ Date : _____	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to debit my/our account as necessary to make the Application in the form (1) _____ (2) _____ (3) _____	BROKER / SCSB / DP / RTA STAMP (Acknowledging option in / Bid to Stock Exchange system)
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PLEASE FILL IN BLOCK LETTERS

LOGO XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB DP/RTA	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> PAN of Sole / First Bidder <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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DPID / CIID <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	Amount paid (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	Stamp & Signature of SCSB Branch
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	Received from Mr./Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	
Telephone / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>		

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XYZ LIMITED - INITIAL PUBLIC ISSUE - R <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th> </th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> </tr> <tr> <td>Bid Price</td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> </tr> <tr> <td>Amount Paid (₹)</td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> <td><span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span></td> </tr> </table> ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>		Option 1	Option 2	Option 3	No. of Equity Shares	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	Bid Price	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	Amount Paid (₹)	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 20px; height: 20px;"></span>	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> Acknowledgement Slip for Bidder Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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## Application Form – For Non – Residents

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FPIs OR FVCI'S, ETC APPLYING ON A REPATRIATION BASIS</b>
	Address : _____ Contact Details: _____ CIN No _____	

LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : _____	Bid cum Application Form No. _____
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>
		Mr. / Ms. _____ Address _____ Tel. No. (with STD code) / Mobile _____ Email _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>BICROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b>
		_____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>4. INVESTOR STATUS</b>
For NSDL, enter a digit DP ID followed by a digit Client ID / For CDSL, enter 16 digit Client ID	<input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis)
	<input type="checkbox"/> FI FI or Sub-account not a Corporate/Foreign Individual
	<input type="checkbox"/> FPIA FPI Sub-account Corporate/Individual
	<input type="checkbox"/> FVCI Foreign Venture Capital Investor
	<input type="checkbox"/> FPI Foreign Portfolio Investors
	<input type="checkbox"/> OTH Others (Please Specify) _____

<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>	<b>5. CATEGORY</b>																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="2">Bid Options:</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> <tr> <td>Option 1</td> <td>8   7   6   5   4   3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </table>	Bid Options:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	Bid Price	Retail Discount	Net Price	Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	<input type="checkbox"/> Retail Individual Bidder  <input type="checkbox"/> Non-Institutional Bidder  <input type="checkbox"/> QIB
Bid Options:			No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)																					
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Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>																							
(OR) Option 2					<input type="checkbox"/>																							
(OR) Option 3					<input type="checkbox"/>																							

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>
Amount paid (₹ in figures) _____ (₹ in words) _____	
<b>ASBA</b> Bank A/c No. _____ Bank Name & Branch _____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AGREED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING OF THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
Date : _____	I/We authorize the SCSB to debit A/c & RTA necessary to make the Application in the line 1) _____ 2) _____ 3) _____	

TEAR HERE

LOGO	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	Bid cum Application Form No. _____
			PAN of Sole / First Bidder _____
DPID / CLID _____			
Amount paid (₹ in figures) _____ Bank & Branch _____			Stamp & Signature of SCSB Branch _____
ASBA Bank A/c No. _____			
Received from Mr/Ms. _____			
Telephone / Mobile _____ Email _____			

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder _____
	Option 1	Option 2	Option 3																
No. of Equity Shares																			
Bid Price																			
Amount Paid (₹)																			
ASBA Bank A/c No. _____				<b>Acknowledgement Slip for Bidder</b>															
Bank & Branch _____				Bid cum Application Form No. _____															

#### 4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including letters notifying the unblocking of the bank accounts of Bidders (other than Anchor Investors) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013 which is reproduced below:

*“Any person who:*

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose sole name or first name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central

or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice or unblocking of ASBA Account or for any correspondence(s) related to an Offer.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off

Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.

In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

- (b) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least Rs.10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Offer size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price

may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))).

#### 4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:
- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
- i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.
  - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - iii. Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### 4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### 4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and

ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorization provided in the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bid Amount for Bidders who Bid at Cut-off price shall be blocked on the Cap Price.
- (c) All Bidders (except Anchor Investors) can participate in the Offer only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order.

##### 4.1.7.1. **Instructions for Anchor Investors:**

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by RTGS, NACH or NEFT.
- (c) The Anchor Escrow Bank(s) shall maintain the monies in the Anchor Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

##### 4.1.7.2. **Payment instructions for Bidders (other than Anchor Investors)**

- (a) Bidders may submit the Bid cum Application Form either
  - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - ii. in physical mode to any Designated Intermediary(ies).
- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly

demarcated funds shall be available in the account.

- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) **Bidders bidding through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- (h) **Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### 4.1.7.1.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite

amount against each successful Bidder to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

#### 4.1.7.2 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer may block for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

#### 4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblocking of funds, the Bidders/Applicants should contact the Registrar to the Issue.
  - ii. In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
  - iv. In case of queries relating to uploading of Bids by a Designated Intermediary, the Bidders/Applicants should contact the relevant Designated Intermediary.
  - v. Bidder/Applicant may contact the Company Secretary and compliance officer or BRLM(s) in case of any other complaints in relation to the Issue.

- (c) The following details (as applicable) should be quoted while making any queries –
- i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
  - ii. name and address of the Designated Intermediary, where the Bid was submitted;
  - iii. in case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked; or
  - iv. in case of Anchor Investor Bids, the unique transaction reference number and the name of the relevant bank thereof.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their Bids or withdraw their bids until Bid/Offer Closing date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : _____ Contact Details: _____ CIN No. _____	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT OIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>	
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : _____	
		Bid cum Application Form No. _____	
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>			
<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>			
<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>			
Mr./Ms. _____			
Address _____			
Tel. No. (with STD code) / Mobile _____ Email _____			
<b>2. PAN OF SOLE / FIRST BIDDER</b>			
_____			
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL			
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID			
<b>PLEASE CHANGE MY BID</b>			
<b>4. FROM (AS PER LAST BID OR REVISION)</b>			
Bid Options	No. of Equity Shares Bid (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)	
	(In Figures)	(In Figures)	
		Bid Price Retail Discount Net Price * Cut-off (Please tick)	
Option 1			
(OR) Option 2			
(OR) Option 3			
<b>5. TO (Revised Bid) (Only Retail Individual Bidders can bid at "Cut-off")</b>			
Bid Options	No. of Equity Shares Bid (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)	
	(In Figures)	(In Figures)	
		Bid Price Retail Discount Net Price * Cut-off (Please tick)	
Option 1			
(OR) Option 2			
(OR) Option 3			
<b>6. PAYMENT DETAILS</b>			
Additional Amount Paid (₹ in figures)		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
₹ in words) _____			
ASBA Bank A/c No. _____			
Bank Name & Branch _____			
I/WE BY SIGNING/PLACING AN OFFER/REVISING AN OFFER HAVE READ AND UNDERSTAND THE TERMS AND CONDITIONS OF THE BID AND I/WE HEREBY CONFIRM THAT I/WE HAVE READ THE BIDDING INSTRUCTIONS AND CONFIRM THE BIDDERS UNDERSTANDING AS GIVEN UNDER ABOVE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE BIDDING INSTRUCTIONS FOR FILLING UP THE BIDDING FORM CAREFULLY AND CORRECTLY.			
7A. SIGNATURE OF SOLE / FIRST BIDDER		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	
Date: _____		<input type="checkbox"/> We will use the SCSB to deal with an account to be used for Application for bid.	
		1) _____	
		2) _____	
		3) _____	
TEAR HERE			
LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	
		Bid cum Application Form No. _____	
<b>PAN of Sole / First Bidder</b>			
DPID / CLID _____			
Additional Amount Paid (₹)		Stamp & Signature of SCSB Branch	
ASBA Bank A/c No. _____			
Received from Mr/Ms. _____			
Telephone / Mobile _____ Email _____			
TEAR HERE			
<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	Option 1	Option 2	Option 3
	No. of Equity Shares		
	Bid Price		
	Additional Amount Paid (₹)		
	ASBA Bank A/c No. _____		
Bank & Branch _____			
Stamp & Signature of Broker / SCSB / DP / RTA			Name of Sole / First Bidder _____
<b>Acknowledgement Slip for Bidder</b>			
			Bid cum Application Form No. _____

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

**4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

**4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding will be unblocked after the allotment is finalized.

**4.2.3 FIELD 6: PAYMENT DETAILS**

- (a) All Bidders/Applicants are required to authorize blocking of the full Bid Amount (less Discount (if applicable) at the time of submitting the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder/Applicant, Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional amount is required for blocking Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- (d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### 4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### 4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

##### 4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

##### 4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed Rs. 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
  - ii. For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
  - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Offer portion in public category.

- ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
- iii. Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

#### 4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### 4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Offer
- (b) Application Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order or through stock invest.

##### 4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to the payment instructions included in paragraph 4.1.7.2.

##### 4.3.5.2 **Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Application to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Offer Closing Date.

#### 4.3.5.3 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### 4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 **SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM**

##### 4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

<b>Mode of Application</b>	<b>Submission of Bid cum Application Form</b>
Anchor Investors Application Form	To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the Collecting RTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

### **SECTION 5: OFFER PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

#### 5.1 **SUBMISSION OF BIDS**

- (a) During the Bid/Offer Period, ASBA Bidders/Applicants may approach any of the Designated Intermediary to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

## **5.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

## **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

## **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including providing instructions for unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalization of basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to
  - i. the Bids accepted by the Designated Intermediary;
  - ii. the Bids uploaded by the Designated Intermediary; and
  - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- (b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### 5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- (c) Bids/Applications by OCBs;
- (d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) Bids/Applications by persons in the United States;
- (i) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (j) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (k) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (l) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (m) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (n) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (o) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (p) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

- (q) Submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (u) Bank account mentioned in the Bid cum Application Form may not be an account maintained by SCSB. Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (v) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Anchor Escrow Bank;
- (w) Where no confirmation is received from SCSB for blocking of funds;
- (x) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (y) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;
- (z) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (aa) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in any category (except QIB category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

*Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details

of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of equity shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalise the Offer Price at or below such cut-off price, i.e., at or below Rs. 22.00. All bids at or above this Offer Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

**SECTION 6: OFFER PROCEDURE IN FIXED PRICE ISSUE**

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Offer Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“**ASBA Account**”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allottees**”). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### 7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii)

Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer subject to compliance with the following requirements:
- i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to Rs.10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 10 crores and up to Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### 7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that

category multiplied by the inverse of the over-subscription ratio;

- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Anchor Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Anchor Escrow Accounts, as per the terms of the Cash Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Cash Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Bid/Offer Closing Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within six Working Days of the Bid/Offer Closing Date.

## **8.2 GROUNDS FOR REFUND**

### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act 2013, the Issuer may be punishable with a fine which shall not be less than Rs. 5 lakhs but which may extend to Rs. 50 lakhs and every officer of the Issuer 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. 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith may take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not refunded to Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, as applicable, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Regulation 19(2)(b) of the SCRR. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of prescribed time period under applicable laws, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

## **8.3 MODE OF REFUND**

- 1. In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.
- 2. In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

3. In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Bid cum Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- i. **NACH** — National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;
- ii. **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code (“**IFSC**”), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine- digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- iii. **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and
- iv. **RTGS**—Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Anchor Escrow Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders/Applicants may refer to RHP/Prospectus.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to

Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working Days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Offer Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Acknowledgement Slip	The Slip or document issued by the Designated Intermediary to an ASBA Bidder as proof of registration of the ASBA Bid
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and this Red Herring Prospectus
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Offer/Anchor Escrow Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Anchor Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date

<b>Term</b>	<b>Description</b>
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agents or Collecting RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>

<b>Term</b>	<b>Description</b>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Anchor Escrow Bank from the Anchor Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries /Collecting Agent	Syndicate Members, sub-syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and Collecting RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the Collecting RTAs where Bidders can submit the Bid cum Application Forms to Collecting RTAs.  The details of such Designated RTA Locations, along with names and contact details of the Collecting RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Anchor Escrow Account	Account opened with the Anchor Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Cash Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Anchor Escrow Bank and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Anchor Escrow Bank	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable

<b>Term</b>	<b>Description</b>
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House
NEFT	National Electronics Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Offer Account	An account opened with the Banker to the Offer to receive monies from the Anchor Escrow Account and from the ASBA Accounts on the Designated Date

<b>Term</b>	<b>Description</b>
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/ Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NACH, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI which offers the facility of ASBA and the list of which is available on the website of the <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s)	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Systematically important Non-Banking Financial Company	Means a non-banking financial company registered with the Reserve Bank of India and having a net worth of more than five hundred crore rupees as per last audited financial statement
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)

<b>Term</b>	<b>Description</b>
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Bid/Offer Opening Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

## SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### *Share Capital*

#### Article 4 provides that

- (a) The authorized Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.
- (b) The Paid up Share Capital shall be at all times a minimum of Rs. 5,00,000 (Rupees five lacs only) as required under the Act.
- (c) The Company has power, from time to time, to increase its authorized or issued and Paid up Share Capital.
- (d) The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- (e) Subject to Article 4(d), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (f) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.
- (g) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (h) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (i) All of the provisions of these Articles shall apply to the Shareholders.
- (j) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a Shareholder.
- (k) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of 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 him accordingly.

### ***Alteration of Share Capital***

#### **Article 10 provides that:**

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) increase its Share Capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

- (c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

### ***Reduction of Share Capital***

#### **Article 11 provides that:**

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

### ***Power to Modify Rights***

#### **Article 13 provides that:**

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Companies Act, 2013 and Law, and whether or not the Company is being wound up, being modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is affected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 107(2) of the Companies Act, 1956 and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

### ***Shares and Share Certificates***

#### **Article 15 provides that:**

- (a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

- (b) A duplicate certificate of shares may be issued, if such certificate:
- i. is proved to have been lost or destroyed; or
  - ii. has been defaced, mutilated or torn and is surrendered to the Company.
- (c) The Company shall be entitled to de-materialize its existing shares, re-materialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.
- (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees 20 (twenty) for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
- Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.
- (f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- (h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.
- (i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.
- (k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- (l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices

and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.

- (n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognize any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

### ***Underwriting and Brokerage***

Article 17 provides that:

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

### ***Calls***

Article 18 provides that:

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- (b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all installments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of

any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the 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.
- (k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

***Company's Lien:***

Article 19 provides that:

**i. On shares:**

- (a) The Company shall have a first and paramount lien:
- (i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;
  - (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.
- (c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.
- (d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

- (e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

**ii. On Debentures:**

- (a) The Company shall have a first and paramount lien:
- (i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;
  - (ii) on all Debentures (not being fully paid Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

- (c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all liens and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.
- (d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

- (e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

### ***Forfeiture of Shares***

Article 20 provides that:

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives 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.
- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions

of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.

- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, 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 any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) 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 relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

### ***Transfer and Transmission of Shares***

Article 22 provides that:

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.
- (b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, a common form of transfer shall be used and every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares

where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply and in respect of transfer of shares in physical form and dematerialized form all applicable provisions of the Act or the Depositories Act, as applicable, or any statutory modification thereof, shall be duly complied with

An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act

Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

- (c) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (d) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture- holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- (e) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, at its own absolute and uncontrolled discretion and by giving reasons, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities, whether fully paid or not or interest of a Shareholder in the Company which refusal, shall not be affected by the circumstance that the proposed transferee is already a member of the Company. The Company shall, within 30 (thirty) days/ 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 a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, 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.

- (f) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
- (g) Subject to the provisions of these Articles, any transfer of shares/debentures in whatever lot shall not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- (h) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders

recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint- holder from any liability on shares held by him jointly with any other Person.

- (i) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized 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 recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles 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.
- (j) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (k) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a 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 proposes to act under this Article, 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 freed from any liability in respect of the shares.
- (l) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.
- (m) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares. In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.
- (n) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.
- (o) No fee shall be payable to the Company, in respect of the registration of transfer or

transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub- divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

- (p) The Company shall incur no liability or responsibility whatsoever 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 a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or 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 so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- (q) There shall be a common form of transfer in accordance with the Act and Rules.
- (r) The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

### ***Dematerialization of Securities***

Article 23 provides that:

**a) Definitions.**

“SEBI” means the Securities and Exchange Board of India established under section 3 of the ' Securities and Exchange Board of India Act,1992.

“Depositories Act” means the Depositories Act,1996, including any statutory modifications or re' enactment thereof for the time being in force.

“Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

“By-laws” means by-laws made by a Depository under Section 26 of the Depositories Act.

“Beneficial Owner” means a person whose name is recorded as such with a Depository.

“Member” means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

“Participant” means a person registered as such under section 12 (1A). of the Securities and Exchange Board of India Act, 1992.

“Record” includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act.

“Regulations” means the regulations made by SEBI.

“Security” means such security as may be specified by SEBI.

Words imparting the singular number only include the plural number and vice versa. Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act shall have the same meanings respectively assigned to them in that Act.

- b) Either the company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be de-materialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.
- c) Notwithstanding anything contained in these Articles, the Company shall be entitled to de-materialize its existing securities, de-materialize its securities held in the Depositories and/or offer its fresh securities in a de-materialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- d) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. If a person opts to hold his security with Depository, the company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.
- e) All securities held by a Depository shall be Securities in de-materialized and be in fungible form. Nothing Depositories, contained in Sections 152,153A, 153B, 187B, 187C and 372A of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.
- f)
  - 1) Notwithstanding anything to the contrary Rights of contained in the Act, or these Articles, a Depositories Depository shall be deemed to be registered and owner for the purpose of effecting transfer of beneficial ownership of security on behalf of the Owners or Beneficial Owner.
  - 2) Save as otherwise provided in (1) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.
  - 3) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
- g) Except as ordered by a Court of competent Beneficial jurisdiction or as required by law, the Company Owner shall be entitled to treat the person whose name deemed as appears on the Register of Members as the holder absolute of any share or where the name appears as the owner. Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivors of them.
- h) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the by-laws and the Company in that behalf.
- i) Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a 'Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as file registered owner in respect of the said securities and shall also inform the Depository accordingly.
- j) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company. The Company shall within thirty (30) days of file receipt of intimation from the Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or, the transferee, as the case may be.
- k) Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- l) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien or shares, forfeiture of shares and transfer and transmission of shares shall be applicable

to shares held in Depository so far as they apply to shares in physical form subject to the provisions of the Depository Act.

- m) Notwithstanding anything in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- n) The shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are de-materialized or may be de-materialized in future or issued in future in de-materialized form. Except in the manner hereinbefore mentioned, no share shall be subdivided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
- o) The Company shall cause to keep a Register and index of Members and a Register and index of Debenture holders in accordance with Sections 151 and 152 of the Act respectively, and the Depositories Act, with details of shares and debentures held in material and de-materialized forms in any media as may be permitted by law including in any form of electronic media. The Register and index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, shall be deemed to be Register and index of Members and Register and index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.
- p) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

### ***Borrowing Powers***

#### Article 28 provides that:

- (a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
  - (i) accept or renew deposits from Shareholders;
  - (ii) borrow money by way of issuance of Debentures;
  - (iii) borrow money otherwise than on Debentures;
  - (iv) accept deposits from Shareholders either in advance of calls or otherwise; and
  - (v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans 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 money without the consent of the Company by way of a Special Resolution in a General Meeting.

- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable, free from any equities between the Company and the Person to whom the same may be issued.
- (c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any

denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, attending (but not voting at) general meetings, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

#### ***Conversion of Shares into Stock and Reconversion***

##### Article 30 provides that:

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.
- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

#### ***Annual General Meeting***

##### Article 31 provides that

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date

of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

#### ***Venue, Day and Time for Holding Annual General Meeting***

Article 33 provides that:

- (a) Every Annual General Meeting shall be called 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 at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause the Annual Return to be prepared and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

#### ***Notice of General Meeting***

Article 34 provides that:

- (a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- (a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
- (b) Auditor or Auditors of the Company, and
- (c) all Directors.
- (b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted which shall be given in the manner prescribed under Section 102 of the Act.
- (c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.
- (d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid

and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

- (e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- (f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

#### ***Questions at General Meeting How Decided***

Article 39 provides that:

- (a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situated and either by a show of hands or by ballot or by postal 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 decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize 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 such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- (e) Any poll duly demanded on the election of a Chairman of a meeting or any question of

adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- (h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

***Passing Resolutions by Postal Ballot***

***Article 40 provides that:***

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

***Votes of Members***

***Article 41 provides that:***

- (a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- (b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- (c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

- (d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if

he votes, use or cast all his votes in the same way.

- (e) 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, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.
- (f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
- (g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorized in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.
- (h) Any Person entitled to transfer any shares of the Company 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 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 Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (i) 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 be signed by an officer or an attorney duly authorized by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.
- (j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- (k) A Shareholder present by proxy shall be entitled to vote only on a poll.
- (l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight 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 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a

power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.

- (m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.
- (n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- (o) 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 before the meeting.
- (p) 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.
- (q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
  - (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
  - (ii) 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 same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for that purpose.
  - (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
  - (iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
  - (v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.
  - (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

- (vii) Any such Minutes shall be evidence of the proceedings recorded therein.
- (viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.
- (ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -
  - a) the names of the Directors and Alternate Directors present at each General Meeting;
  - b) all Resolutions and proceedings of General Meeting.
- (r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.
- (s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
- (t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- (u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
- (v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).
- (w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

### ***Directors***

#### Article 42 provides that:

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

The person hereinafter named shall become and be the first Directors of the Company, that is to say:

1. Rajendra Prasad Yadav
2. Reeta Yadav
3. Seeta Pal

## ***Proceedings of the Board of Directors***

### Article 69 provides that:

- (a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held in Bengaluru, or such a place as may be decided by the Board.
- (b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- (c) The Company Secretary or any Director shall, as and when directed by the Chairman convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- (d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.
- (e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.
- (f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

### ***Quorum for Board Meeting***

#### Article 70 provides that:

- (a) **Quorum for Board Meetings**  
Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.  
  
If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.
- (b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

## ***Dividend Policy***

### Article 96 provides that:

- (a) The profits of the Company, subject to any special rights relating thereto being created or authorized to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.
- (b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
- (c) (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -
  - 1. if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and
  - 2. if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Act against both.
- (ii) The declaration of the Board as to the amount of the net profits shall be conclusive.
- (d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.
- (e) Where Capital is paid 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 or Dividend.
- (f) (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.
- (ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.
- (iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

- (g) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money (ies) payable in respect of such shares.
- (h) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.
- (i) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- (j) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder 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 and in case of joint-holders to one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.
- (k) No unpaid Dividend shall bear interest as against the Company.
- (l) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.
- (m) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.
- (n) The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with Section 51 of the Act.

***Un paid or Unclaimed Dividend***

Article 97 provides that:

- (a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent to the Shareholder entitled to received such dividend within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed or in respect of which no dividend warrant has been posted, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the “Unpaid Dividend of Genius Consultants Limited”.

- (b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund". Any person claiming to be entitled to an amount may apply to the authority constituted by the Central Government for the payment of the money claimed.
- (c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

### ***Capitalization of Profits***

#### **Article 98 provides that:**

The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and
- (b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
  - i. paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
  - ii. paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
  - iii. partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).
- (d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

### ***Distribution of Assets in Specie or Kind Upon Winding Up***

#### **Article 101 provides that:**

- (a) If the company shall be wound up, the Liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

### ***Director's and Other's Rights to Indemnity***

#### **Article 102 provides that:**

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the company shall be indemnified by the company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the company. All costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer

or employee in defending any proceedings whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the shareholders over all the claims.

**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 entered into more than two years before the date of this Draft Red Herring Prospectus) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder may be inspected at our Registered Office, from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

***Material Contracts to the Offer***

1. Offer Agreement dated March 28, 2018 entered into among our Company, the Selling Shareholder and the BRLMs.
2. Registrar Agreement dated March 27, 2018, entered into among our Company, the Selling Shareholder and the Registrar to the Offer.
3. Cash Escrow Agreement dated [●] entered into among our Company, the Selling Shareholder, the BRLMs, the Syndicate Members, Banker(s) to the Offer/ Anchor Escrow Bank(s), Refund Bank and the Registrar to the Offer.
4. Share Escrow Agreement dated [●] entered into among the Selling Shareholder, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholder and the Registrar to the Offer.
6. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholder and the Underwriters.

***Material Documents***

1. Certified copies of our Memorandum of Association and Articles of Association, as amended until date.
2. Certificate of incorporation dated July 27, 1993 and fresh certificate of incorporation dated October 14, 1999 issued upon conversion to a public company.
3. Board resolution and shareholders' resolution of our Company, dated January 4, 2018 and March 16, 2018, respectively, authorizing the Offer and other related matters.
4. Consent letter dated March 26, 2018 of the Selling Shareholder authorizing his participation in the Offer for Sale.
5. Copies of annual reports for the last five fiscals, i.e., fiscals 2017, 2016, 2015, 2014 and 2013.
6. The examination report dated March 16, 2018 of our Statutory Auditors, Walker Chandiook & Co LLP, Chartered Accountants, on our Restated Financial Statements included in this Draft Red Herring Prospectus.
7. Statement of tax benefits and the report of the Statutory Auditors thereon dated March 20, 2018 included in this Draft Red Herring Prospectus.
8. Consent of our Statutory Auditors, Walker Chandiook & Co LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as required under Section 26(1)(a)(v) of the Companies Act 2013 and as an expert under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as Statutory Auditor and for inclusion of their examination report dated March 16, 2018 on our Restated Financial Statements and the statement of tax benefits dated March 20, 2018 in the form and context in which it appears in this Draft Red Herring Prospectus.
9. Consents of (a) Bankers to our Company, the BRLMs, Syndicate Members, Registrar to the Offer, CRISIL, legal counsel, lenders to the Company, Directors of our Company, Company Secretary and compliance officer of our Company, Chief Financial Officer as referred to act, in their respective capacities; and (b) the Syndicate Members, Monitoring Agency, Bankers to the Offer/Escrow Collection Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act 2013.
10. Consent dated March 24, 2018 from CRISIL to use their report titled "Staffing Industry in India" dated March 2018.
11. Supplementary letter of continuing guarantee dated July 28, 2016 pursuant to which, Mr. Rajendra Prasad Yadav, Ms. Reeta Yadav, Ms. Rashmi Yadav and Ms. Pritika Yadav have extended a guarantee in favour of HDFC Bank Limited for extending credit facilities to our Company.
12. Personal guarantee dated February 17, 2017 pursuant to which Mr. Rajendra Prasad Yadav and Ms. Reeta Yadav have extended a personal guarantee in favour of Kotak Mahindra Bank Limited for extending

- credit facilities to our Company.
13. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
  14. Tripartite Agreement dated February 28, 2018 among our Company, NSDL and the Registrar to the Offer.
  15. Tripartite Agreement dated March 7, 2018 among our Company, CDSL and the Registrar to the Offer.
  16. Due diligence certificate to SEBI from the BRLMs, dated March 29, 2018.
  17. SEBI final observation letter dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

\_\_\_\_\_  
( Mr. Rajendra Prasad Yadav )  
(Chairman cum Managing Director)

\_\_\_\_\_  
( Ms. Rashmi Yadav Korada )  
(Whole-time Director)

\_\_\_\_\_  
( Ms. Pritika Yadav )  
(Whole-time Director)

\_\_\_\_\_  
( Mr. Swapnesh Kumar )  
(Whole-time Director)

\_\_\_\_\_  
( Ms. Reeta Yadav )  
(Non-executive Director)

\_\_\_\_\_  
(Mr. Sourav Daspatnaik)  
(Non-executive, Independent Director)

\_\_\_\_\_  
(Mr. Mahesh Kumar Maheshwari)  
(Non-executive, Independent Director)

\_\_\_\_\_  
(Ms. Bijita Sarkar)  
(Non-executive, Independent Director)

\_\_\_\_\_  
(Mr. Vipul Kundalia)  
(Non-executive, Independent Director)

\_\_\_\_\_  
(Mr. Prabir Kumar Chatterjee)  
(Non-executive, Independent Director)

\_\_\_\_\_  
(Mr. Saurabh Sett)  
(Chief Financial Officer)

**Date:** March 29, 2018

**Place:** Kolkata

**DECLARATION BY MR. RAJENDRA PRASAD YADAV, AS A SELLING SHAREHOLDER**

I certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself and the Equity Shares offered by me through the Offer for Sale, are true and correct.

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Name: **Mr. Rajendra Prasad Yadav**

Date: March 29, 2018

Place: Kolkata