

DRAFT INFORMATION MEMORANDUM

(For Listing on Institutional Trading Platform for SME of BSE Limited)

Dated: 27th October, 2014

[In accordance with SEBI (Listing of specified securities on Institutional Trading Platform) Regulations, 2013]

NETWORTH SOFTTECH LIMITED

(CIN: U72200MH2007PLC172069)



Our Company was originally incorporated in Mumbai as "NETWORTH SOFTTECH LIMITED" on 29th June, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by Registrar of Companies, Mumbai and received certificate of commencement of business on 20th August, 2007 issued by the Registrar of Companies, Mumbai.

The registered office of our Company was originally situated at 5, Churchgate House, 2nd Floor, 32/34 Veer Nariman Road, Fort, Mumbai – 400001, Maharashtra. Further the registered office was shifted from 5, Churchgate House, 2nd Floor, 32/34 Veer Nariman Road, Fort, Mumbai – 400001 to 2nd Floor, D.C. Silk Mills, Compound, Kondivita Road, Andheri (East), Mumbai – 400059, Maharashtra w.e.f. 9th February, 2009. Further again the registered office was shifted from 2nd Floor, D.C. Silk Mills, Compound, Kondivita Road, Andheri (East), Mumbai – 400059, Maharashtra to 1001/1002, 10th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai – 400063 w.e.f. 16th August, 2011. Further again the registered office was shifted from 1001/1002, 10th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai – 400063, Maharashtra to 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai – 400063, Maharashtra w.e.f. 1st May, 2014.

Registered Office: Office no.901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai – 400063. Tel: 022 – 30641600, Fax: 022 – 28352405. Website: www.networksofttech.com

Company Secretary & Compliance Officer: Ms. Vidhi Shah, E-Mail: cs@networksofttech.com

PROMOTERS OF THE COMPANY : NETWORTH STOCK BROKING LIMITED

This Information Document is In terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009, as amended from time to time and we propose to list our Equity Shares on Institution Trading Platform (ITP) of BSE SME.

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS DRAFT INFORMATION DOCUMENT.

ABSOLUTE RESPONSIBILITY OF NETWORTH SOFTTECH LIMITED

Network SoftTech Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Company, which is material, that the information contained in the Information Memorandum 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 Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

TABLE OF CONTENTS

TITLE	Page No.
General	3
1. Definitions and Abbreviations	3
2. General Information	8
3. Eligibility Criteria	12
I. Business	14
1. Description of our Business and Operations	14
2. Industry Overview	28
3. Financial Information	32
4. Capital Structure	48
5. Property	55
II. Risk Factors	56
III. Security Ownership of certain beneficial owners and Management	62
IV. Our Management	63
V. Our Promoters & Promoter Group	71
VI. Related Party Transactions	87
VII. Outstanding Litigations and Material Development	89
VIII. Declaration	96

**GENERAL
DEFINITIONS AND ABBREVIATIONS**

Unless the context otherwise indicates, the following terms have the meanings given below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

General Terms

Term	Description
“NSL”, “the Company”, “our Company”	Unless the context otherwise requires, refers to Networth SoftTech Limited, a company incorporated in India under the Companies Act, 1956 (the “Companies Act”) with its Registered Office at 901/902, 9 th floor, Atlanta Centre Opp. Udyog Bhawan, Sonawala Road, Goregoan(E) Mumbai - 400063. India. Furthermore, all references to the terms “we”, “us” and “our” are to Networth SoftTech Limited.

Company/ Industry related terms

Term	Description
Act/Companies Act	The Companies Act, 1956 and amended from time to time and the Companies Act, 2013, to extent notified by the MCA as on date of filing this Information Memorandum.
AGM	Annual General Meeting.
Articles/Articles of Association	Articles of Association of the Company
AS	Accounting Standard as issued by the Institute of Chartered Accountant of India.
Auditor	M/s J. Vageriya & Associates, Chartered Accountants the Statutory Auditors of Our Company.
Board/Board of Directors of the Company	Board of Directors of our Company i.e. Networth SoftTech Limited.
BSE	BSE Limited
BSE-SME	SME platform of BSE Limited
Capital/ Share Capital/Equity Share Capital	Equity Share Capital of the Company
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
Depository	The Depositories Act, 1996 and amendment thereto.
Equity Share(s) or Share(s)	Means the equity shares of the Company having a face value of Rs. 10/- unless specified otherwise in the context thereof.

Equity Shareholder	Means a holder of Equity Shares of Our Company
Financial Year/Fiscal/FY	Period of 12 month ended March 31 of that particular year unless stated otherwise.
ITP	Institutional Trading Platform
Memorandum/Memorandum of Association	Memorandum of Association of the Company
Promoter(s)	Networth Stock Broking Limited
RBI	Reserve Bank of India
ROC	Registrar of Company, Mumbai, Maharashtra.
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act , 1992
Stock Exchange	Shall refer to the BSE Limited where the Shares of the Company proposed to list.

Abbreviations

ABBREVIATION	FULL FORM
AGM	Annual General Meeting.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A/C.	Account
A.Y.	Assessment Year
B.A	Bachelor of Arts
B.Com	Bachelor of Commerce
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
C.S.	Company Secretary
CIN	Company Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
FY / Fiscal	Financial Year
GDP	Gross Domestic Product
GDA	Global Distribution Agreement
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprises
M. Com.	Master of Commerce
NA	Not Applicable
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
PAC	Persons Acting In Concert
P.A.	Per Annum
P/E Ratio	Price/Earnings Ratio
Eqty	Equity
PAT	Profit After Tax
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC/Registrar of	The Registrar of Companies, Mumbai, Maharashtra.
ROE	Return on Equity
RONW	Return on Net Worth
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America
VCF	Venture Capital Funds registered with SEBI under applicable laws in India.

CERTAIN CONVENTIONS – USE OF MARKET DATA

In this Draft Information Document, unless the context otherwise requires or unless stated otherwise, the financial data is derived from our financial statements prepared and in accordance with the applicable regulations. In this Draft Information Document, any discrepancies in any table between the total and the sums of the amounts mentioned are owing to rounding - off. In this Draft Information Document, unless the context otherwise requires, all references to one gender also refers to another gender and the word “lacs” means “one hundred thousand” and the word “million” means “ten lacs” and the word “Crore” means “ten million” and the word billion refers to “Thousand Million”.

CURRENCY OF PRESENTATION

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S. \$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America.

INDUSTRY & MARKET DATA

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

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

FORWARD LOOKING STATEMENTS

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others General economic conditions, political conditions, conditions in the agriculture sector, fuel prices, inclement weather, interest rates, inflation etc. and business conditions in India and other countries. Major factors include –

- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and Globally.
- Changes in foreign exchange rates or other rates or prices;
- Our failure to keep pace with rapid changes in advertising and media sector;
- The monetary and interest policies of India, unanticipated turbulence in interest rates;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Changes in political condition in India & Abroad.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Government approvals;
- Our ability to compete effectively, particularly in new markets and businesses;

- Our dependence on our Key Management Personnel and Promoter;
- Conflicts of interest with affiliated companies, the Group Entities and other related parties;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

GENERAL INFORMATION

NETWORTH SOFTTECH LIMITED

(CIN: U72200MH2007PLC172069)

Our Company was originally incorporated in Mumbai as "Networth SoftTech Limited" on 29th June, 2007 vide certificate of incorporation and received certificate of commencement of business on 20th August, 2007 issued by the Registrar of Companies, Mumbai – Maharashtra.

REGISTERED OFFICE:

901/902, 9thFloor, Atlanta Centre,
Opp. Udyog Bhavan,
Sonawala Road,
Goregaon (East), Mumbai – 400063
Tel: 022 – 30641600
Fax: 022 – 28352405

Website: www.networthsofttech.com

E-Mail: cs@networthsofttech.com

COMPANY IDENTIFICATION NUMBER (CIN): U72200MH2007PLC172069

ADDRESS OF REGISTRAR OF COMPANIES

Registrar of Companies Maharashtra

100, Everest, Marine Drive,
Mumbai – 400002.
Phone: 022-22812627/22020295/22846954
Fax: 022-22811977.
Email: roc.mumbai@mca.gov.in
Website: www.mca.gov.in

Name of the Stock Exchange where proposed to be listed

Our Company proposes to list its Equity Shares on ITP Segment of the SME Platform of BSE Limited.

BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

NAME	DESIGNATION	DIN	ADDRESS
Mr. Kanu Varu	Managing Director	06926557	5-6, Jay Somnath Society, At - Sanand, Ahmedabad, Gujarat:- 382110. INDIA
Ms. Jayshree Ghodadra	Director	06909047	B-11, Krishna Kunj, 1 st Floor, Opp Shamrao Vithal Bank, M.G. Road, Kandivali (West) Mumbai-400067, Maharashtra, INDIA.
Mr. Surendrakumar Jaiswal	Independent Director	06595297	1104, Prathmesh Tower, MMGS Marg, Dadar (E), Mumbai - 400014, Maharashtra, INDIA.
Mr. Suresh Angadi	Independent Director	06975241	701, Laxmi Appt, Sai Complex, Navghar Road, Mulund (E), Mumbai - 400081, Maharashtra, INDIA

COMPANY SECRETARY & COMPLIANCE OFFICER**Ms. Vidhi Shah**

901/902, 9th Floor, Atlanta Centre,
Opp. Udyog Bhavan, Sonawala Road,
Goregaon (East), Mumbai – 400063.
Tel: 022 – 30641600,
Fax: 022 – 28352405
Email Id: cs@networthsofttech.com
Website: www.networthsofttech.com

STATUTORY AUDITORS

J. Vageriya & Associates

Chartered Accountant,
704, Abhishree Avenue,
Opp. Hanuman Temple,
Nr. Nehrunagar Cross Road,
Ambawadi Road,
Ahmedabad – 380015.
Tel no. 079-65494914

Contact Person: Mr. Jitendra Vageriya
Firm Registration No: 124193W

REGISTRAR & SHARE TRANSFER AGENT



Sharepro Services (I) Pvt. Ltd.

SEBI Registration No.: INR000001476
13AB, Samitha Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (E), Mumbai 400072.
Tel: +91-22- 61915400/5402
Fax: +91-22- 61915444
Email: itp.ipo@shareproservices.com
Website: www.shareproservices.com
Contact Person: Mr. Subhash Dhingreja

BANKER TO THE COMPANY

HDFC Bank Limited

Hdfc Bank House, Opp. Jain,
Derasar, Navrangpura,
Ahmedabad – 380 009,
Gujarat
Tel: 079 66001072
Email: madhu.sinha@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Madhu Sinha

INVESTING VENTURE CAPITAL FUND



Next Orbit Ventures Fund

Bldg No. 52, Room No. 11,
2nd Floor, 3rd Marine Street,
Dhobi Talao,
Mumbai- 400 002.

Tel: +91- 22- 28242781

Fax: - +91- 22- 28242781

Email Id: contactus@nextorbitventures.com

Website: www.nextorbitventures.com

Contact Person: Mr. Ajay Jalan

ELIGIBILITY CRITERIA

We are an unlisted company as on date and we propose to list our Equity Shares on Institution Trading Platform (ITP) of BSE SME. In terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009. Our Company is eligible for the listing in terms of 106 Y and other provisions of Chapter XC of the SEBI (ICDR) Regulations, 2009.

We Confirm that

1. The name of our company, our promoters, any of our group companies or directors do not appear in the willful defaulters list of Reserve Bank of India as maintained by Credit Information Bureau (India) Limited;
2. There is no winding up petition against the company that has been admitted by a competent court.
3. Our company, group companies or subsidiaries have not been referred to the Board for Industrial and Financial Reconstruction within a period of five years prior to the date of application for listing;
4. No regulatory action has been taken against the company, its promoter or director, by the Board, Reserve Bank of India, Insurance Regulatory and Development Authority or Ministry of Corporate Affairs within a period of five years prior to the date of application for listing;
5. We have been incorporated on 29th June, 2007 and thus have not completed more than ten years after incorporation and our revenues have not exceeded Rs. One Hundred Crores in any of the previous financial years.
6. The paid up capital of the company has not exceeded twenty five crore rupees in any of the previous financial years;
7. We have completed one full year of audited financial statements, for the immediately preceding financial year at the time of making listing application;
8. **M/s. Next Orbit Ventures Fund** (A SEBI Registered Venture Capital Fund) in accordance with Regulation 106 Y (h) (i) of SEBI (ICDR) Regulations, 2009, as amended, has invested a sum of Rs. 50 Lacs by applying for 5,00,000 Equity Shares of our Company at a price of Rs.10/- each on 19th August, 2014 and these shares would be under lock in for a period of three years from the date of listing.
9. In accordance with Regulation 106 ZB of Chapter XC of the SEBI (ICDR) Regulations, 2009, Our Promoter i.e. Networth Stock Broking Limited has given its written consent to lock-in 1499400 Equity Share representing 20.90% of Paid up Capital of the Company.

Further our Company is also eligible in accordance with the additional eligibility norms for Listing on Institutional Trading Platform issued vide BSE SME circular dated March 24, 2014, which states as follows:

10. We have entered tripartite depository agreement dated 10th April, 2014 with NSDL as well as CDSL dated 20th March, 2014 along with our Registrar for facilitating trading in dematerialized mode. We further confirm that we shall have connectivity with atleast one depository at all times.
11. There has been no change in the promoters of the Company in preceding one year from date of filing the application to BSE for listing under ITP segment.
12. Our company satisfies the following as on the date of application –
We have Net income* (excluding extraordinary and other income) of Rs.60.00 lacs as per the latest audited financials.
*(Net income = Professional Charges)

We further confirm that:

In terms of Regulation 106ZC of SEBI (ICDR) Regulations, 2009: (1) Trading of all Equity Shares of our company shall be in dematerialized form upon listing on institutional trading platform. (2) The company shall have connectivity with atleast one depository at all times. (3) The minimum trading lot on institutional trading platform shall be Rs. 10.00 Lacs.

GENERAL DISCLAIMER FROM THE COMPANY

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

SECTION I – BUSINESS

1. DESCRIPTION OF OUR BUSINESS AND OPERATIONS

Description of our Business and Operations:

Our Company was originally incorporated in Mumbai as "Networth SoftTech Limited" on 29th June, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai - Maharashtra. Networth SoftTech Limited is an ISO 9001:2000 Certified Company. It is into application development & maintenance. Building & Implementation of packaged software across various functions within the Financial Services Industry is at its core. It also provides data center services which include hosting of websites, applications & related services. It combines a unique delivery model infused by a distinct culture of customer satisfaction.

Further NSL has entered into an agreement with VCU Data Management Limited (VCU) obtaining exclusive distribution rights for Marketing of its Hardware Devices viz. NVR, Cameras & Mobile News Gathering Devices powered by V-Mukti Solution Pvt. Ltd. all across the Globe except India for which exclusive rights will vest with VCU only, and to provide promotion and marketing services for COMPANY's Products in specified countries informed by COMPANY.

VCU is the owner and provider of Rights for one of the World's most unique Interactive Audio/Video Live Streaming hardware/software solutions for the masses at high quality and low bandwidth. The Product was built to cater to the infrastructure of Countries worldwide. VCU Pack boasts unique video encoder, media server, decoder and 2G/3G/4G/wifi and bandwidth aggregation technology with over 6 years of research and development from 7 countries made HD video communication better even at low and fluctuating bandwidth.

Main Object as per Memorandum of Association:

To Carry on the business of software development, Document and Image Processing, design and maintenance of Websites, registration of Internet Domain names, providing Electronic mailing services and other Internet enabled services including consultancy, Data entry, Digitizing the documents, to Design, Develop, Manufacture, Purchase or otherwise acquire, Import, Sell, Export, Lease or Franchise, Technologies, Hardware, Software, and Importers, Exporters, Traders, Agents, Representatives, Franchise Holders, Service Providers, and licensees, in Computer Hardware and Software, Electronic Systems and accessories, related Technologies and Services and other related Equipment, Materials and Services and to setup Computer and Electronic related Software, Hardware and Technologies, either directly or through licensees or Franchisees, both in India and outside India.

Our future business process can be summarized as under:

We will play the role of a Distributor / reseller offering the complete bouquet of services. We will act as the vital link between the original manufacturer / developers and end users and other resellers. Higher the turnaround of materials turns better the health of business. Managing the risk of high obsolescence of inventory due to rapid technology changes and managing credit extended to channel partners is very important. We will have systematic inventory management processes and strong credit management policies in place to address these business risks.

We will have a process to continuously monitor the ageing of stocks. Norms will be placed on the extent of over-ageing of stocks which are carried on the basis of product category. We will have an in house credit management team, which effectively manages our credit risk. We will take into consideration the overall quality and aging of the receivable portfolio, specifically identifying customer risk.

The communications industry has changed dramatically into an always on, easy to time-shift, always with you on mobile platforms, customizable stream of news, cctv, entertainment, movies and music. Remote Video Surveillance Industry market is predicted to grow to over \$20 billion in 2016 & Our Company intends to cater to Media houses,

business houses, government bodies and law enforcement agencies, educational institutes in need of multi data-card uplink hardware/software solutions.

Competition:

The technology, telecommunication & surveillance industry is getting more competitive with the increase in number of organized players. The following are the few international competitors we could identify viz. TVU networks, LiveU, Gearhouse Broadcast and Live function. However we have developed a unique product and do not foresee any big local competition from any organized or unorganized players in the industry.

Marketing Arrangement:

Company will develop effective marketing channel to handle the sales and distribution of its products. Major marketing set-ups will be overlooked by Company's Management & as a policy we will remain in constant touch with our clients to understand their feedback & make necessary changes in our Products & Services.

OUR PRODUCTS –

- 1) **Mobile News Gathering Unit (MNGU)**

- 2) **Network Video Recorder (NVR) and Mobile NVR**

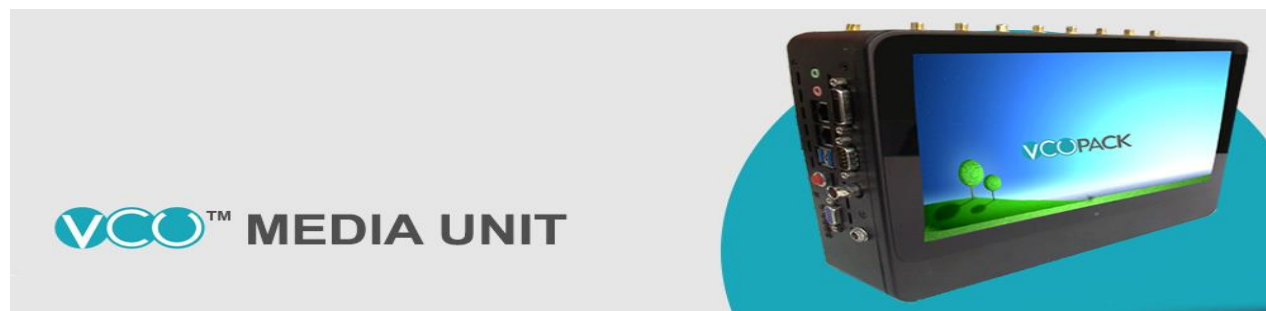
- 3) **Camera IP Camera, AHD Camera and Analog Camera**

- 4) **AHD DVR**

- 5) **Smart Phone**

BREIF SPECIFICATIONS ABOUT OUR PRODUCTS –

1) **Mobile News Gathering Unit (MNGU) –**



Features –

Live video feed from any place where mobile network is available
 Built-in Storage for pre-Recorded, Preparing & Uploading footage on the fly, S & F
 IFB return channel
 Built-in Wi-Fi, USB GPS
 Dual Encoding (Simultaneous Live & Store at Different bit-rates)

<u>(MNGU) Mobile News Gathering Unit</u>			
	MNGU (mini)	MNGU (light)	MNGU (grand)
INTERNET	4 SIM	6 SIM + 2 USB + Ethernet	8 SIM + 2 USB + 2 Ethernet
Video			
Input	SDI	SDI, HDMI, FireWire(1394) Composite	SDI, HDMI, FireWire(1394) Composite
Resolution	Up to 640p	Up to 720p	Up to 1080p
Format	HD/SD, PAL/NTSC		
Encoding	H264/AVC Main/High Profile level 4 @ 32kbps to 8 Mbps & Custom		
Pre-Filtering	De-Interlacing		
Audio			
Input	Embedded, Analog(L-H)		
Encoding	AAC-LC/HE-AAC/HE-AACv2 2.0, 8 to 512 Kbps, Mono / Stereo& Custom		
Aggregation			
Bonding	2G,3G,4G,Wi-Fi,Ethernet		
Proprietary Technology			
	Benefits in video quality, resiliency, coverage		
	Effective prioritized connectivity based bonding algorithm		

	Easy operation in urban/overcrowded/poor coverage area, on-the-drive		
	Advance motion detection-estimation algorithm with dual encryption		
User Interface			
Control	Touch screen UI, Daylight Visibility		
OS	Embedded		
Features			
	Live		
	Built-in storage for Pre-Recorded, preparing and uploading footage on the fly, S & F		
	IFB return channel		
	Built-in Wi-Fi, USB GPS		
	Dual Encoding (Simultaneous Live & Store at Different bit-rates)		
Storage			
	External storage through SD card		
Battery			
	2 hot swappable batteries, capable of 1 hours of running time at full throttle.		
Environment			
	up to 90C (internal), up to 50C (external)		
Weight			
	1.5 Kg	1.7 Kg	2 Kg

Mobile Remote Surveillance –

Our innovative products will be useful in following major areas –

- **Oil Pipelines** - Monitor and Provide Quick Action in case of pipeline damages, act of vandalism, provide technical assistance
- **Police**- riot control, vigilance, drug trafficking, roaming vans, interface with existing CCTV
- **Forest** - Monitor Poaching, Illegal Mining, Tree Cutting and other Anti-Social Activities across the forest regions
- Transport Camera Mounted Transport Vehicles
- Government Kit fitted Buses and Taxis sending view to Police Control Room
- **Examination Monitoring**
Needs to run at low bandwidth
- **Poll Booth Monitoring**
Needs to run at low bandwidth

- **Forensic** - Remote Crime Site Investigation and Tele-Forensic
Needs to be D1 to HD Quality
- **Industries** - Remote Disaster Management and monitoring of relief activities in times of natural disasters including fire
- **Video Optimization for Network** - Video content consumes large part of Network Bandwidth. With VCUPack's advance video compression technology of transcoding and transrating it is possible to save over 60% bandwidth in video content delivery through the network or to the end users
- **Current Solutions & Issues**
Mostly Remote/ Rural or Mobile areas
- Bandwidth availability through Data cards/ Satellite at most places
- **Sea Vessel Based Monitoring:**
Needs to run at ultra low bandwidth
Only way to broadcast is satellite @ 3-5usd/ min
- IP Cameras & DVRs/NVRs
Needs Real IP
Requires 3mbps uplink
- Webcasting using laptops
Not easy to use - Requires a lot of training
Virus issue may lower the quality
Manual restart after every interruption
High initial setup time
Must have operator
Data Card Configuration Issues

2) Network Video Recorder (NVR) & Mobile NVR

Network Video Recorder (NVR)



Features –

Model	Specification
VC-5204	<ol style="list-style-type: none"> 1. Embedded LINUX, Dual-core DSP, Pure hardware decoding, Watchdog, Hard disk storage, VGA / HDMI HD display 2. 4ch HD 1080P/ 720P IPC input, H.264 compression 3. Recording Resolution: 1080P / 1024P / 720P / VGA/D1/CIF; 2CH 1080P real-time playback 4. 2 SATA II interface, Support two 3.5-inch SATA II 2TB HDD; 5. 2 USB ports, V2.0, Support for mouse control and USB backup 6. Automatically (IP search, ip change, picture adding);
VC-6304	<ol style="list-style-type: none"> 1. Embedded LINUX, Dual-core DSP, Pure hardware decoding, Watchdog, Hard disk storage, VGA HD display, IP video input; 2) 4 Channel HD IPC input ,Support Dual-stream input each IPC and Automatic detect , Automatic add the device, Automatic recording, and Automatic Preview ,point-and shoot NVR 3) 4 Channel 1080/720P ,Video resolutions:1920*1080@25F, 1280*720@25F, H.264 compression. Support recording saving , video playback, and remote browser viewing; 4) 2 SATA II interface, Support two 3.5-inch SATA II 2TB HDD; 5) 2 USB ports, V2.0, Support for mouse control and USB backup 6) Automatically (IP search, ip change, picture adding), Support Mobile phone view, no need network setting , easy operation 7) DC12V Power input, ≤12W Power consumption, MINI crate, Volume ,Metal casing, Standard 4A power supply and mouse;(Note: The above parameters do not include the hard disk); 8) Easy use (no need setup of remote control), Support ONVIF
VC-8016	<ol style="list-style-type: none"> 1) Embedded LINUX, Dual-core DSP, Pure hardware decoding, Watchdog, Hard disk storage, VGA HD display, IP video input; 2) 16 Channel HD IPC input ,Support Dual-stream input each IPC and Automatic detect , Automatic add the device, Automatic recording, and Automatic Preview ,point-and shoot NVR; 3) 16 Channel 1080/720P ,Video resolutions:1920*1080@25F, 1280*720@25F, H.264 compression. Support recording saving , video playback, and remote browser viewing 4) 6 SATA II interface, Support 6pcs 3.5-inch SATA II 2TB-4TB HDD 5) 2 USB ports, V2.0, Support for mouse control and USB backup 5) Automatically (IP search, ip change, picture adding), Support Mobile phone view, no need network setting , easy operation 6) Built-in power supply , 230V/250W power consumption 7) With HDMI and VGA video output , Support ONVIF

Mobile NVR –



Vehicle NVR Specs (With 4 SIM Module + 2 USB Port)		
Hardware		Mobile NVR
	CPU	Intel i3 Processor
	Memory	4 GB RAM
	SSD+HDD	60 Gb + 1TB HDD
	Power Supply	DC12V/3.3A
	Working Environment (Temperature)	"-20 ~+70°C / 5~90%RH / 86~106kpa
I/O Interface	HDMI Output	1
	VGA output	1
	Audio in, output (3.5 mm Stereo Jack)	1
	SD Card Slot	1
	USB 2.0	4
	eSATA interface	1
	Serial interface ((1 RS-232 interface (for parameters configuration, maintenance , transparent channel);	1
	1 RS-485 interface (for PTZ control);	
1 RS-485 keyboard interface (for special keyboard control)))		
Networks	4 SIM Module + 2 USB port for Dongle. with sufficient space between usb ports	4 + 2
	LAN Interface RJ-45, 10/100Mbps	1
	Built-in Wi-Fi	1

3) Cameras:



IP Camera-

Model	Specification
VC-AM130WBB-IP	<ul style="list-style-type: none"> ◆ 720P 1.3megapixel, 1/3" CMOS sensor,0Lux ◆ H.264 video compression, Motion JPEG ◆ Resolution: 1280*1024 (25fps) ◆ ICR Filter Auto switch , Motion Detection, WDR ◆ Standard 4mm fixed lens,4mm,6mm,8mm lens optional ◆ Size:L139.5*W70(mm) Weight:1KG, Dark Gray/white ◆ 42pcs led,30-40m IR
VC-AM130WB-IP	<ul style="list-style-type: none"> ◆ 720P 1.3megapixel, 1/3" CMOS sensor,0Lux ◆ H.264 video compression, Motion JPEG ◆ Resolution: 1280*1024 (25fps) ◆ ICR Filter Auto switch , Motion Detection, WDR ◆ Standard 4mm fixed lens,4mm,6mm,8mm lens optional ◆ Size:L143*W83(mm) Weight:1KG, Dark Gray ◆ 42pcs led,30-40m IR
VC-AM130VE-IP	<ul style="list-style-type: none"> ◆ 720P 1.3megapixel, 1/3" CMOS sensor,0Lux ◆ H.264 video compression, Motion JPEG ◆ Resolution: 1280*1024 (25fps) ◆ ICR Filter Auto switch , Motion Detection, WDR ◆ Standard 2.8-12mm varifocal lens ◆ Size: D146*H89 (mm) ,Weight: 1.2KG ,Silver ◆ 21pcs led,20-25m IR

AHD Camera –

Model	Specification
VC-100WTD-AHD	<ul style="list-style-type: none"> ◆ 36pcs LED, 25-30M IR ◆ 3.6/6mm lens ◆ Size: 160*75mm,Weight: 60g ◆ Color: gray◆ 1/3" CMOS sensor,0Lux ◆ 720P 1.0megapixel ◆ AHD Analog interface/ output, coaxial cable transmission ◆ AWB, AGC, BLC, 3D-DNR ◆ ICR Filter Auto switch
VC-100VDA-AHD	<ul style="list-style-type: none"> ◆ 6mm lens ◆ Size: 105L*80.8H(mm),Weight: 1KG White ◆ 15pcs Φ5 led,10-15m IR◆ 1/3" CMOS sensor,0Lux ◆ 720P 1.0megapixel ◆ AHD Analog interface/ output, coaxial cable transmission ◆ AWB, AGC, BLC, 3D-DNR ◆ ICR Filter Auto switch
VC-100DQ-AHD	<ul style="list-style-type: none"> ◆ 6mm lens ◆ Size: D130*H120(mm) ,Weight: 0.5KG ,white◆ 1/3" CMOS sensor,0Lux ◆ 720P 1.0megapixel ◆ AHD Analog interface/ output, coaxial cable transmission ◆ AWB, AGC, BLC, 3D-DNR ◆ ICR Filter Auto switch

Analog Camera –

Common Specification	Model	Specification
24pcs LED , 25m IR distance, silver color, 6mm lens. DC12V Size:L104*W65(mm) Weigh:550g with bracket add USD1	VC-700WFA-WDR	Color CMOS 1/3" 700TVL WDR, 0Lux
	VC-800WFA	Color CMOS 1/3"800TVL 0 Lux 8510+169
	VC-1000WFA	Color CMOS 1/3" 1000TVL 0 Lux 8520+SONY138
	VC-1600WFA	Color CMOS 1/3" 1600TVL 0 Lux 8520+SONY238
15pcs Φ5 led,10-15m IR lens 6mm lens Size: 105L*80.8H(mm), Weight: 1KG White	VC-700VDA-WDR	Color CMOS 1/3" 700TVL WDR, 0Lux
	VC-800VDA	Color CMOS 1/3"800TVL 0 Lux 8510+169
	VC-1000VDA	Color CMOS 1/3" 1000TVL 0 Lux 8520+SONY138
	VC-1600VDA	Color CMOS 1/3" 1600TVL 0 Lux 8520+SONY238
24pcs Φ5 LED,20M IR distance 6mm lens Size:D94*H73(mm) Weigh:650g Color: White , Black DC 12V	VC-700DA-WDR	Color CMOS 1/3" 700TVL WDR, 0Lux
	VC-800DA	Color CMOS 1/3"800TVL 0 Lux 8510+169
	VC-1000DA	Color CMOS 1/3" 1000TVL 0 Lux 8520+SONY138
	VC-1600DA	Color CMOS 1/3" 1600TVL 0 Lux 8520+SONY238

4) AHD DVR Specification



Feature:-

Sr.no	Model	ch	Recording	Audio (in/out)	Video (in/out)	Alarm (in/out)	HDMI	VGA/ Network	SA TA HD D
Economic series									
1	VC-3704L	4ch	4CH DI	1ch	4ch	No	yes	Yes	4TB x 1pc
2	VC-4216D	16ch	2CH D1+14CH CIF	8ch	16ch	No	yes	Yes	4TB x 1pc
960H series									
1	VC-7204	4	4ch 960H	4ch	4ch	4ch	yes	Yes	4TB x 1pc

2	VC-4808B	8CH	8ch 960H	4ch	8ch	No	yes	Yes	4TB x 1pc
3	VC-5516	16ch	16CH 960H	16ch	16ch	8ch	yes	Yes	4TB x 2pc
Higher end model in 960H series									
1	VC-6616	16ch	16CH 960H	16ch	16ch	16ch	yes	Yes	4TB x 8pc
Hybrid series									
1	VC-4804AH	4ch	4CH 960H	4ch	4ch	No	yes	Yes	4TB x 1pc
2	VC-5516	16ch	16CH 960H	16ch	16ch	8ch	yes	Yes	4TB x 2pc
3	VC-6616	16ch	16CH 960H	16ch	16ch	16ch	yes	Yes	4TB x 8pc

5) Smart Phone –

Features –



Details:	
CPU:	quad-core processors , 1.3G RAM+ROM 1G+4G
Appearance:	PDA flat touch
Size:	145*73*7.9mm

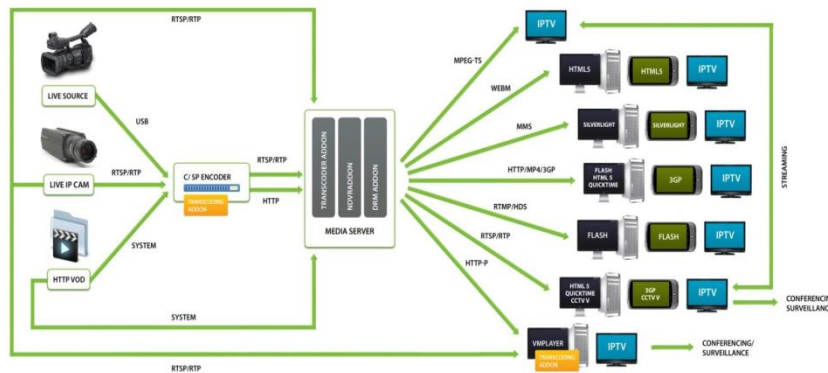
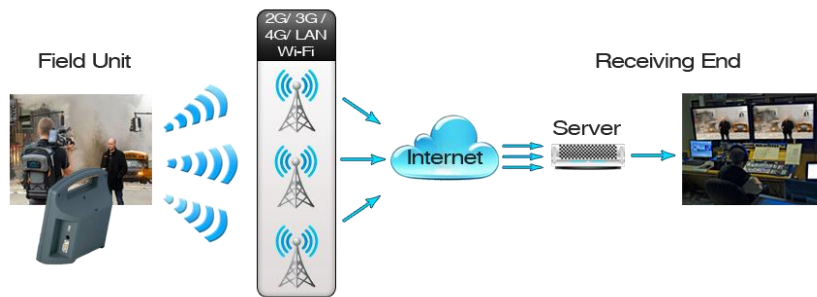
weight	130g
Hard platform:	MediaTek MT6582 , quad-core with Cortex™-A7 and low power consumption.
OS:	Android OS, 4.3
MS mode:	GSM/WCDMA
Frequency band:	GSM:850/900/1800/1900 WCDMA 850/2100
sim card:	Dual sim cards, dual standby
Navigation:	Built-in GPS chip (GPS+AGPS)
Display:	5.0" 16KK color
Display:	960*540 pixels 302ppi
Camera:	front 2MP,back 5MP
Video screen:	1080p Video records with sound
WLAN:	WIFI 802.11b/g/n
OTG	Support
MFC	Support(optional)
Gravity Sensor:	Support
Light Sensor:	Support
Digital compass:	Support
Bluetooth:	Support V2.0/3.0/4.0
FM:	Support
Java Expand:	Support
Music/video:	Support
WAP Browser:	Support
Hand-writing:	Support
Multilingual:	Support
T-flash card:	Support micro SD (T-Flash) 64G
Battery parameter:	2700mAh
Talk time:	380-450(Unit:Mins)
Standby time:	200-230 (Unit:Hour)

Phone book:	1000 Group
SMS/Color message:	Support
Charge	5 PIN

Our proposed business plans are ambitious yet achievable and with our management team and with the experience of our founders' core competencies & with the back-up of VCU's core team members, we are certain to reach our targeted goals. Our business is currently within the start-up phase of our operations and serves a targeted Global population that consists of Global media houses, Global Business Houses, Foreign Government bodies, International Law Enforcement Agencies etc. With over 7 years of combined experience, we are confident that we will make "VCU" a globally recognized brand.

APPLICATION USAGE DIAGRAM FOR ALL THE PRODUCTS

APPLICATION USAGE DIAGRAM –



OUR STRATEGY

We intend to grow our business by implementing the following key strategies:

Extending our reach to developing economies

The dependency on developed economies to fuel growth is slowly decreasing; it is the developing economies that are witnessing exponential growth. This is being fuelled by improving infrastructure, government initiatives, improving standards of living etc. We would like to invest in each geography covering these emerging markets for marketing and promotion of our products like VCU Pack 1b: Base Model, Mobile News Gathering Unit (MNGU), Network Video Recorder (NVR), MiFi Technology Specification & Smart Phone.

Technology Drive and Product Identification

We sketch to enter into a product life cycle to catch the adopters and undertake market development and create demand for our products.

Increasing product portfolio

We will constantly strive to expand our product offering and we will always be on the lookout for complementary products that will add to our solution bouquet. This also helps in keeping our portfolio balanced and helps spread our risk. We would seek product lines which have better scope for value addition and therefore offer us higher than average margins & will provide necessary feedback to VCU for providing such products.

Strategic acquisitions

We intend to selectively pursue acquisitions that augment our existing skill sets, client base or geographical presence. We are constantly on the lookout for Targets that meet our acquisition strategies.

Proposed Business Development

NSL has entered into an agreement with VCU Data Management Limited (VCU) obtaining exclusive distribution rights for Marketing of its Hardware Devices viz. NVR, Cameras & Mobile News Gathering Devices powered by V-Mukti Solution Pvt. Ltd. all across the Globe except India for which exclusive rights will vest with VCU only, and to provide promotion and marketing services for COMPANY's Products globally in specified countries, except India, as informed by COMPANY.

VCU is the owner and provider of Rights for one of the World's most unique Interactive Audio/Video Live Streaming hardware/software solutions for the masses at high quality and low bandwidth. The Product was built to cater to the infrastructure of Countries worldwide. VCU Pack boasts unique video encoder, media server, decoder and 2G/3G/4G/wifi and bandwidth aggregation technology with over 6 years of research and development from 7 countries made HD video communication better even at low and fluctuating bandwidth.

2. INDUSTRY OVERVIEW:

Indian Information Technology Industry

Information technology (IT) industry in India has played a key role in putting India on the global map. IT industry in India has been one of the most significant growth contributors for the Indian economy. The industry has played a significant role in transforming India's image from a slow moving bureaucratic economy to a land of innovative entrepreneurs and a global player in providing world class technology solutions and business services. The industry has helped India transform from a rural and agriculture-based economy to a knowledge based economy.

Information Technology has made possible information access at gigabit speeds. It has made tremendous impact on the lives of millions of people who are poor, marginalized and living in rural and far flung topographies. Internet has made revolutionary changes with possibilities of e-government measures like e-health, e-education, e-agriculture, etc. Today, whether its filing Income Tax returns or applying for passports online or railway e-ticketing, it just need few clicks of the mouse. India's IT potential is on a steady march towards global competitiveness, improving defense capabilities and meeting up energy and environmental challenge amongst others.

Telecommunication, Technology & Surveillance Industry –

Telecommunication has been recognized the world-over as a powerful tool of development and poverty reduction through empowerment of masses. It is one of the key enabler for 'inclusive and sustainable' growth and in areas of poverty reduction, employment generation, gender equity, balanced regional development and special protection for vulnerable sections of the society. Indian telecommunication sector has emerged as a strong growth engine for the Indian economy in the last decade with the country witnessing tremendous growth in wireless sector. The penetration of internet and broadband has also improved. The Government of India approved a project for creation of National Optical Fibre Network for connecting 2.5 lakh Gram Panchayats with support from Universal Service Obligation Fund (USOF). The proposed National Telecom Policy, under finalization in consultation with various stakeholders is a step forward for bringing rapid and equitable growth of this sector.#

Indian Telecommunication sector maintained the impressive growth rate during the current year. Indian telecom network has 933.02 million connections at the end of March 2014 with 904.52 million wireless connections and is the second largest network in the world after China. The one billion mark also appears to be achievable. The penetration of internet and broadband has also improved with 20.99 million internet subscribers and 13.30 million broadband subscribers across the country. The future progress of telecommunication in our country is very encouraging as operators have started rolling out the wireless broadband networks in the country and soon the services are expected to be available in the entire country.#

Television broadcasters operate studios and facilities that program and deliver audiovisual content to the public via over-the-air transmission. This industry excludes cable and satellite TV and operators that solely provide content online. The industry continues to experience strong competition from the digital cable and satellite TV industries. The cable TV industry, in particular, represents a significant threat to future industry growth, though broadcasters are increasingly negotiating with cable networks to get a portion of profit from viewers. New media is also posing competition, with greater numbers of viewers opting for the internet live streaming has become a popular medium for broadcasters to share visuals with viewers. Successful firms will make adjustments to changing consumer preferences and deliver a more interactive and customized service.*

With mobile broadband subscribers topping 200 million worldwide, the telecom industry is experiencing remarkable growth and demand from consumers who now use their phones for more than just talk. In the U.S., web-enabled smartphones are poised to overtake feature phones as the device of choice in the very near future. Expanding wireless networks in emerging markets open the possibility for mobile broadband subscribers to outnumber wired broadband subscribers within the next decade.*

The shift of revenue from fixed to mobile and from voice to data is accelerating as data and media are increasingly untethered from specific devices or networks. Innovation is vibrant and opportunities abound for device manufacturers, service providers, and mobile app developers. But the competition is equally intense, requiring a detailed understanding of the market and clear insight into the signal consumers are sending. High Uplink bandwidth in remote areas of India and the world is still distant dream. Same is the situation in case of availability of wireless and mobile bandwidth. Wired access is mostly not present or very expensive. Mobile Data connectivity offers 30kbps - 150kbps uplink in most area across the country and the world except for metro cities where you can push up to 200kbps-300kbps uplink but no more. This makes HQ video uplink from remote/ mobile locations as required by homeland security, Media, education and corporate conferencing at large practically impossible. *

Surveillance Industry –

The video surveillance industry has changed dramatically over the years. The need for intelligent security systems, increasing terrorist strikes, dwelling infrastructure, and rising criminal activities have fueled the demand for reliable and intelligent security systems. The advantages of surveillance systems over physical security such as the ability to allow remote monitoring have resulted in wide deployment across India.

The video surveillance industry has continued to enjoy a robust growth despite the unfavorable economic climate. The growth in worldwide market for video surveillance equipment has been mainly driven by the sales of IP-based network video surveillance equipment. The global CCTV and video surveillance equipment market is growing at a CAGR of about 25 percent and is poised at Rs. 80,000 crore. It is expected to arrive at Rs. 150,000 crore by 2015.

The region-level analysis, carried out in “**Global CCTV Market Forecast to 2014**”, revealed that Asia and Middle East will gain significant share in the global CCTV market by 2014-end, capturing around one-fourth share. India and China with their huge population base will be the key drivers in the Asian market.

(Source: <http://www.rncos.com/Market-Analysis-Reports/Global-CCTV-Market-Forecast-to-2014-IM374.htm>)

Improvements in technologies for recording and transmission have opened up several revenue opportunities for mobile video surveillance devices, especially in the transit bus, police vehicles and rail markets across the world. These technology developments have extended the scope of mobile video surveillance to include monitoring and training drivers to improve performance. New analysis from Frost & Sullivan, Opportunities in the World Mobile Video Surveillance Market, finds that the market earned revenues of \$615.4 million in 2008 and estimates this to reach \$1.55 billion by 2015. Mobile video surveillance's growing popularity in security and non-security applications presents new opportunities for solution providers. The need for security in public transport systems will offer additional impetus for the uptake of mobile video surveillance technology. (Mobile Video Surveillance Industry Statistics and Market Size *Source: Frost*)

Growing concern for Security –

Rapid economic growth and rising industrial activities amid security threats, fear of potential terrorist attacks has fuelled the demand for CCTV cameras evidently as government authorities and even private sector are investing huge amount of money in installing CCTVs to secure their offices and public places across the country.

Market size –

Growing at a compounded annual growth rate (CAGR) of about 30 per cent, the video surveillance and closed circuit television (CCTV) camera market in India is likely to reach Rs 2,200 crore by 2015 Indian CCTV camera market is currently poised at about Rs 1,000 crore and accounts for over 40 per cent of the Rs 2,400 crore worth total electronic security market in India, according to a study titled ‘Indian CCTV/Video Surveillance Market: The Way Ahead’ released by The Associated Chambers of Commerce and Industry of India (ASSOCHAM).

Opportunities –

Rapid economic growth and rising industrial activities amid security threats, fear of potential terrorist attacks has fuelled the demand for CCTV cameras evidently as government authorities and even private sector are investing huge amount of money in installing CCTVs to secure their offices and public places across the country. CCTVs are the most sought after security systems and apart from government, both at the central and the state levels, the private sector is also going to increase their expenditure on security surveillance.

The CCTV camera industry is going to emerge as a huge market in the next few years in wake of rising demands from sectors like hospitality industry, services, healthcare, retail and transportation. The ease to inter-connect all monitoring systems, traffic systems, various market places with police stations and defense headquarters in the real time make the CCTV surveillance a prominent and feasible security solution.

Deployment of CCTVs significantly help in carrying out post-attack investigation, besides, continuous monitoring of the video surveillance system also plays a vital role in combating security breaches and terror threats at sensitive places like railway stations, airports, hospitals and busy market places.

The communications industry has changed dramatically into an always on, easy to time-shift, always with you on mobile platforms, customizable stream of news, cctv, entertainment, movies and music. Much of this growth is occurring in online media, and the fastest growing markets are in developing nations such as China, India and Brazil. Remote Video Surveillance Industry market is predicted to grow to over \$20 billion in 2016 & VCUPack intends to cater to media houses, businesses, government bodies and law enforcement agencies, educational institutes in need of multi data-card uplink hardware/software solutions.

Regulations

After the economic reforms of 1991-92, liberalization of external trade, elimination of duties on imports of information technology products, relaxation of controls on both inward and outward investments and foreign exchange and the fiscal measures taken by the Government of India and the individual State Governments specifically for IT and ITES have been major contributory factors for the sector to flourish in India and for the country to be able to acquire a dominant position in offshore services in the world. The major fiscal incentives provided by the Government of India have been for the Export Oriented Units (EOU), Software Technology Parks (STP), and Special Economic Zones (SEZ).

Future Prospectus

Globalization had a profound impact in shaping the Indian Information Technology industry. Over the years, verticals like manufacturing, telecom, insurance, banking, finance and lately the retail, have been the growth drivers for this sector. But it is very fast getting clear that the future growth of IT and IT enabled services will be fuelled by the verticals of climate change, mobile applications, healthcare, energy efficiency and sustainable energy. The near future of Indian IT industry sees a significant rise in share of technology spend as more and more service providers both Indian and global target new segments and provide low cost, flexible solutions to customers.

By 2015, IT sector is expected to generate revenues of USD 130 billion (NASSCOM) which will create a transformational impact on the overall economy. IT spending is expected to significantly increase in verticals like automotive and healthcare while the government, with its focus on e-governance, will continue to be a major spender.

Source: Nasscom

Intellectual Property:

Presently we own trademark “networth technology” in the name of our Company.

Approvals/ licenses/permissions procured to conduct our business:

Sr. No.	Nature of Registration / Licenses	Registration / License No.	Issuing Authority
1.	Certificate of Incorporation Dated 29 th June, 2007	U72200MH2007PLC172069	Registrar of Companies, Mumbai
2.	Certificate of commencement of business dated 20 th August, 2007	U72200MH2007PLC172069	Registrar of Companies, Mumbai
3.	Permanent Account No. (PAN)	AACCN5427H	Income Tax Department
4.	Tax Deduction Account No.	MUMN15981A	Income Tax Department
5.	Service Tax Registration	AACCN5427HST001	Central Excise Officer
6.	Shop & Establishment License	760248193/ Commercial II	Bombay Municipal Corporation

Licenses:

Our business operations do not envisage any requirement of licenses.

Franchisee / concessions:

As on date we do not have any franchisee & we have not entered in to any concession agreements.

Working Capital:

Our business requires a substantial amount of working capital. In many cases, working capital is required to finance the purchase of software and other equipments before payment is received from clients, in addition to that our working capital comprises of receivables from our debtors. Our working capital requirements may increase if, in certain contracts, payment terms do not provide for advance payments to us or if payment schedules are less favorable to us.

As on 31st March, 2014, our working capital comprised of followings:

Particulars	FY 20113-14 (Amount In Rs.)
Inventories	-
Debtors	-
Cash and Bank Balances	2,538,760
Short term loans & advances	2,771,718
Miscellaneous Assets	1,956,928
Total (A)	7,267,406
Less:	
Creditors	1,236
Expenses & Other Liabilities	97,186
Short term provisions	4,84,810
Total (B)	5,83,232
Net Working Capital (A-B)	6,684,174

We have funded our entire working capital requirement from our own funds.

Research & Developments:

We have not incurred any amount during the last three fiscal years on company-sponsored research and development activities.

Human Resources:

At Networth SoftTech, we believe that people and their experience are our biggest assets. The details of manpower employed as on 30th September'2014 are as under:

Sr. no	Category	No. of employees
1.	Managing Director	1
2.	Accounts, Administration & Finance	1
3.	Material Sourcing	-
4.	Service Provider / IT	9
5.	Distribution	-
6.	Company Secretary	1
	TOTAL	12

3. FINANCIAL INFORMATION

INDEPENDENT AUDITORS' REPORT

**To,
The Members,
Networth SoftTech Limited,**

Report on the Financial Statements

We have audited the accompanying financial statements of Networth Softtech Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to NIL, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profits for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For J. Vageriya & Associates.
Chartered Accountants

Jitendra Vageriya
Proprietor

Mem. No. 114424
[FRN No.: 124193W]

Place : Ahmedabad

Date : 28/05/2014

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Networth SoftTech Limited on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1. The Company does not have any fixed assets. Accordingly clause 4(i) of Companies (Auditor's Report) Order, 2003 is not applicable.
2. The company does not have any inventories. Accordingly the Clause 4(ii) of Companies (Auditor's Report) Order, 2003 is not applicable.
3. (a) According to the information and explanations given to us, the Company has granted loan secured or unsecured to the one Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

Sr.	Name of the Company	Maximum amount involved	Cumulative amount lended	Year end account square up	Year end outstanding balance
1.	Networth Stock Broking Limited	10,09,086	10,09,086	Yes	Nil

- (b) The company has taken loans, secured or unsecured loans from companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

Sr.	Name of the Company	Maximum amount involved	Cumulative amount taken	Year end account square up	Year end outstanding balance
1.	Networth Stock Broking Limited	30,06,914	49,06,914	No	3,18,701

4. According to the information & explanation given to us, in our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business.
5. According to the information and Explanations provided by the management, there are transactions that need to be entered into a register, in pursuance of Section 301 of this Act, which are duly entered.

According to the information and explanations given to us, In respect of the transactions made in pursuance of such contracts or arrangements exceeding value Rupees five lakhs entered into during the financial year are reasonable having regard to the prevailing market prices at the relevant time however in respect of transactions with the holding company which are unique and specialized nature involved and absence of any comparable prices, we are unable to comment whether the transactions are made at prevailing market prices at the relevant time.

6. As per the information & explanation given to us, the company has not accepted deposits during the year under review Accordingly paragraph 4 (vi) of Companies (Auditor's Report) Order, 2003 is not applicable.
7. According to information and explanations given to us by the management, the company has formal Internal Audit System which is commensurate with size and nature of its business are inbuilt controls system.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the products dealt with by the company.
9. The company is regular in depositing undisputed statutory dues including income tax, sales tax, wealth tax, custom duty, excise duty cess and other dues with the appropriate authorities.

According to the information and explanation given to us there are no dues in respect of sales tax, Income tax, custom duty, and cess that have not been deposited with the appropriate authorities on account of any dispute and other dues were outstanding for a period of more than six months at year end.

According to the information and explanation given to us there are no disputes pending before any authorities

10. The company has no accumulated losses at the end of financial year. However company had incurred cash losses in current financial year that was adjusted against the accumulated profit of preceding years.
11. According to information and explanation given to us, and the records made available to us, by the management, in our opinion, the company has not defaulted in repayment of dues to a bank or financial Institutions.
12. Based on our examination of documents and records, we are of the opinion that the company has maintained adequate records where the company has granted loans and advances to parties on the basis of security by way of pledge of securities.
13. The company is not chit fund, nidhi, mutual fund, societies, accordingly paragraph 4(xiii) of Companies (Auditor's Report) Order, 2003.
14. According to information and explanations given to us the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, Paragraph 4(xiv) of Companies (Auditor's Report) Order, 2003 is not applicable.
15. As per the information and explanation provide to us, the company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly paragraph 4(xv) of Companies (Auditor's Report) Order, 2003 is not applicable.
16. On the basis of information and explanation to us and documents made available to us, the company has not taken any term loan during the year under review.
17. According to the information and explanations given to us, on an overall basis, funds raised on short-term basis have not, prima facie, been used during the year for long-term investment.
18. During the year under review the company has not made preferential allotment to a company covered in the register maintained under Section 301 of the Companies Act 1956
19. The company has not issued any debentures. Accordingly Clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
20. The company has not raised any money by public issue during the year. Accordingly, Clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.

21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud has been noticed or reported during the year by the company.

For J. Vageriya & Associates.

Chartered Accountants

Jitendra Vageriya

Proprietor

Mem. No. 114424

[FRN No.: 124193W]

Place : Ahmedabad

Date : 28/05/2014

The audited annual Balance Sheet, Profit & Loss Account, Cash Flow statement, with attendant annexure and notes to accounts for the fiscal year 2013-2014 is produced as under:-

Balance Sheet as at 31st March, 2014				
			(Amount in Rs.)	(Amount in Rs.)
	Particulars	Note No.	As at the end of 31.03.2014	As at the end of 31.03.2013
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' funds			
	(a) Share capital	1	32,950,000	500,000
	(b) Reserves and surplus	2	16,51,387	12,59,397
(2)	Non-current liability			
	(a) Deferred tax liability(net)		52,415	71,264
(3)	Current liabilities			
	a) Short term Provision	3	484,810	3,30,376
	b) Trade Payable -Creditors		1,236	1,90,541
	c) Other current liabilities	4	97,186	31,102
	TOTAL		35,237,035	2,382,680
II.	ASSETS			
(1)	Non-current assets			
	Long Term Loans and Advances	5	27,969,629	2,30,629
(2)	Current assets			
	a) Cash and cash equivalents	6	2,538,760	(3,95,956)
	b) Short-term Loans and Advances	7	2,771,718	2,548,007
	c) Miscellaneous Expenditure		1,956,928	-
	TOTAL		35,237,035	2,382,680

Statement of Profit and Loss for the year ended 31st March, 2013

	Particulars	Note No.	(Amount in Rs.)	
			For the Period Ended 31.03.2014	For the Period Ended 31.03.2013
I.	Revenue from operations (Gross)	8	6,000,000	4,200,000
II.	Other income	9	78,494	92,650
III.	Total Revenue (I + II)		6,078,494	4,292,650
IV.	Expenses:			
	Employee benefit expense	10	3,913,139	3,884,271
	Selling, Administration & other Expenses	11	1,466,112	188,544
	Miscellaneous Expenses	12	2,693	41,671
	Total expenses		5,381,944	4,114,486
V.	Profit/Loss before exceptional and extraordinary items and tax (III-IV)	(III-IV)	696,550	1,78,164
VI.	Extraordinary Items (prior period expenses)		86,455	-
VII.	Profit/Loss before tax (VII- VIII)		610,095	178,164
VIII.	Tax expense:			
	(1) Current tax		216,000	60,000
	(2) Deferred tax		(18,849)	(9,655)
	(3) Short provision for tax		20,954	1,800
IX	Profit(loss) from the period from continuing operations	(IX-X)	391,990	126,019
X	Profit/(loss)from discontinuing operations			-
XI.	Profit/(Loss) for the period		391,990	126,019
XII.	Earnings per equity share			
	(1) Basic		0.94	2.52
	(2) Diluted		0.94	2.52

CASH FLOW STATEMENT

Particulars	31.03.14	31.03.13
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary Items	610095	178164
Adjustment for:		
Preliminary/Share Issue Exp.Written off	0	0
Provision Written back	0	0
Finance Expenses	0	0
Operating Profit before Working capital changes	610095	178164
Adjustments for:		
Decrease (Increase) in Trade & Other Receivables	-2119639	182033
Increase (Decrease) in Trade Payable and Provisions	12364	-2595228
Cash Generated from Operations	-1497179	-2235031
Income Taxes paid for the year	218105	0
Prior Period Items	0	0
Net Cash Flow from Operating Activities (A)	-1715284	-2235031
CASH FLOW FROM INVESTING ACTIVITIES		
Advance given as Security deposit	-27800000	0
Net Cash Flow from Investing Activities (B)	-27800000	0
CASH FLOW FROM FINANCING ACTIVITIES		
On issue of New Equity Shares	32450000	0
Net Cash used in Financing activities	32450000	0
Net Cash Flow from Financing Activities (C)	32450000	0
		-
Net Increase in cash & cash Equivalents (A+B+C)	2934716	-2235031
Opening Balance of cash & cash equivalents	-395956	1839075
Closing Balance of Cash & Cash equivalents	2538760	-395956

Note: The cash flow statement has been prepared under the “Indirect Method As set out in the Accounting Standard 3 “Cash flow Statements” issued by The Institute of Chartered Accountant of India.

Note: 1 - Share Capital

SHARE CAPITAL		
	31.03.2014	31.03.2013
	Rs.	Rs.
a) Authorized shares		
1,20,00,000 Equity shares (P.Y. 10,00,000) of Rs. 10 each.	120,000,000	10,000,000
b) Issued, Subscribed and Paid up		
32,95,000 Equity shares (P.Y. 50000 Shares)of Rs.10 Each	32,950,000	500000
c) Par Value per share	10	10
d) Number of equity shares at the beginning of the year	50,000	50000
Add :- Right issue	-	-
Bonus Issue	-	-
Private Equity Placement	3,245,000	-
Less :- Buy back	-	-
Number of equity share at the end of the year	3,295,000	50000
e) % of Share held by		
Holding Company (refer point 11.of note to accounts -13)	1.52%	100%
f) Number of shares held by share holders more 5% of total shares		
Mr. Manish Desai (5,00,000 Equity Shares of Rs. 10 each P.Y. Nil)	15.17%	-
Mr. Dipak Doshi (5,00,000 Equity Shares of Rs. 10 each P.Y. Nil)	15.17%	-
Networth Stock Broking Limited	1.52%	100%
g) Amount of Calls unpaid Rs.		
i) Calls unpaid by directors Rs.	Nil	Nil
ii) Calls unpaid by Officers Rs.	Nil	Nil
h) No. of shares Forfeited amount originally paid up:	Nil	Nil

Note: 2 - Reserves and Surplus

<u>Particulars</u>	31.03.2014	31.03.2013
Surplus from Profit & Loss account		
Opening balance	1,259,397	1,133,378
Add: Current year surplus	391,990	126,019
Less: Transfer to general reserve		-
Less: Transfer to capital reserve		-
Less: Proposed dividend		-
Less: Dividend tax provision		-
Closing balance	1,651,387	1,259,397

Note: 3 - Short term provisions

<u>Particulars</u>	31.03.2014	31.03.2013
a. Provisions for employee benefits	101,508	98,802
b. Others (Specify)		
Staff Cost Payable	132,302	76,574
Provision for Income Tax	216,000	155,000
Provision for Expenses	35,000	-
Total	484,810	330,376

Note: 4 - Other Current Liabilities

<u>Particulars</u>	31.03.2014	31.03.2013
Statutory Liabilities		
TDS Payable	76,415	12,945
Professional Tax Payable	-	3,250
Provident Fund Payable	16,005	14,907
Service Tax Payable	4,190	-
Labour Welfare Fund	576	-
Total	97,186	31,102

Note:5 - Long term loans and advances

<u>Particulars</u>	31.03.2014	31.03.2013
Contribution to Gratuity Fund	169,629	230,629
Security Deposit with Business Associates	27,800,000	-
Total	27,969,629	230,629

Note: 6 - Cash and Bank Balances

<u>Particulars</u>	31.03.2014	31.03.2013
-	-	-
a. Cash and cash equivalents		
(i) Balance with banks	2,524,257	(416,418)
(ii) Cash in hand	14,503	20,462
Total	2,538,760	(395,956)

Note: 7 - Short term loans and advances

<u>Particulars</u>	31.03.2014	31.03.2013
Advance Income Tax	1,454,160	2,163,600
Service Tax Receivable	289,271	251,407
Other Advances	862,287	-
Advance to Staff	166,000	133,000
Total	2,771,718	2,548,007

Note: 8 - Revenue from Operations

<u>Particulars</u>	31.03.2014	31.03.2013
Professional Fees Received	6,000,000	4,200,000
(Received from Networth Stock Broking Limited)		
Total	6,000,000	4,200,000

Note: 9 – Other Income

Particulars	31.03.2014	31.03.2013
Excess Provision for Income Tax written back	-	-
Interest On IT Refund	78,494	92,650
TOTAL	78,494	92,650

Note: 10 - Salaries & Wages

<u>Particulars</u>	31.03.2014	31.03.2013
Salary & Other Allowances	3,717,966	3,688,801
Gratuity	61,000	50,286
Contribution to Provident Fund	91,771	103,891
Employers Cont. to L.W. F	816	1,536
Staff Welfare	41,586	39,757
Total	3,913,139	3,884,271

Note: 11 - Administrative, Selling and Distribution

<u>Particulars</u>	31.03.2014	31.03.2013
Administration expenses	-	-
Auditor's Remuneration		
Statutory Auditor	15,000	10,000
Common Infrastructure Charges	800,000	-
ROC Filing Charges	149,100	13,000
Professional Charges	46,500	32,750
Conveyance Charges	76,180	72,349
Office expenses	23,897	643
Fee & subscription	3,900	5,527
Provident fund Admin Charges	8,476	9,223
Repairs & maintenance-office	-	100
Travelling Expenses	8,742	43,168

Telephone Charges	1,400	1,784
Communication charges	2,785	-
Stamp duty	5,632	-
Preliminary Expenses (for business extension) (1/5th amount written off)	324,500	-
Total	1,466,112	188,544

Note: 12 - Miscellaneous Expenses

<u>Particulars</u>	31.03. 2014	31.03.2013
Sundry Balances Written off	-	24,530
Interest on Late Payment	2,304	16,187
Bank Charges	389	954
Total	2,693	41,671

Schedules forming part of the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the period ending 31st March, 2014.

Note 13: SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the accounting standards prescribed under Section 211(3C) of the Companies Act, 1956 and the practices prevailing within the broking industry in India.

2. Use of Estimates

These financial statements have been prepared on the basis of estimates, wherever necessary, which have an effect on the reported amounts of assets and liabilities as on the date of the statements and the reported amounts of income and expenditure for the reporting period. The difference between actuals and estimates is recognized in the subsequent period when the actuals are known.

3. Revenue Recognition

Revenue Recognition in the books of accounts has been recognized in the books of accounts in consonance with Accounting Standard - 9 relating to Revenue recognition. Revenue for interest income has been accounted in the books of accounts for on accrual basis, based on the agreement entered into between the parties as per the terms of the agreed upon.

4. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period and adjusted for the effects of all dilutive potential equity shares.

5. Employee Benefits

The annual contribution to the Group Gratuity Assurance Scheme of Metlife India Insurance Co. Private Limited, determined on the basis of actuarial valuation by the approved actuary of the said company is charged to Profit and Loss Account.

6. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income of the year.

Deferred tax for the year is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable/virtual certainty of its realization.

The carrying amount of Deferred Tax Assets are reviewed at each balance sheet date and written down or written up, to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

7. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Note - 14: NOTES FORMING PART OF ACCOUNTS

8. Contingent Liabilities for the year amounts to NIL (PY: NIL)

9. Earning per share

Particulars	31 st March, 2014	31 st March, 2013
Net profit / (loss) attributable to equity shareholders (Rs.)	3 91 990	1 26 019
Number of equity shares in issue during the year (shares of face value Rs. 10 each)	32 95 000	50 000
Diluted No. of shares	4,18,397	--
Basic earnings per share (Rs.)	0.94	2.52

10. Related Party Disclosures:-

Name of the Related Party	Nature Of Relationship	Amount	Nature of transaction
Networth Stock Broking Limited (read along with point 11. as mentioned below)	Holding Company	60,00,000	Professional services Income
		16 22 500	Advisory Service Fees Paid. (amortised in current year 1/5 th portion Rs. 3,24,500/-)
Networth Commodities & Investment Limited (read along with point 11. as mentioned below)	Fellow Subsidiary	NIL	NIL
Networth Insurance Broking Limited (read along with point 11. as mentioned below)	Fellow Subsidiary	NIL	NIL
Networth Wealth Solution Limited (read along with point 11. as mentioned below)	Fellow Subsidiary	NIL	NIL
Ravisha Financial Services Private Limited (read along with point 11. as mentioned below)	Fellow Subsidiary	NIL	NIL
Randhir Sisodiya	Key Management	9,48,145	Director Remuneration

11. The company during the year under review ceased to be subsidiary of Networth Stock Broking Limited w.e.f 6th February, 2014 on account of private place of equity to private investors amounting to Rs. 3,24,50,000/- for 32,45,000/- shares of Rs. 10 each.
12. In the opinion of the Directors of the Company the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which items are stated in the Balance Sheet.
13. To the best of knowledge of the management, there are no events occurring after the Balance Sheet date that provide additional information materially affecting the determination of the amounts relating to the conditions existing at the Balance Sheet Date that requires adjustment to the Assets or Liabilities of the Company.
14. **Segment Reporting**
During the year under consideration, the company had one reportable segment. In view of above, the company has not furnished the Segment Reporting.
15. **Details about the Micro, Small and Medium Enterprises**
In absence of information regarding vendors covered under the Micro, Small and Medium Enterprises Development Act, 2006, disclosure relating to amounts unpaid as at the yearend together with interest paid / payable under this Act has not been given.
16. Previous year figures have been regrouped and rearranged to make it comparable with the current year figures.
17. Balance of trade receivable, trade payable, sundry creditors, loans and advances and deposits are subject to confirmations by the parties concerned. With respect to the opening balances, reliance is placed on the previous Auditor and self certification made by the Management.

4. CAPITAL STRUCTURE

The share capital of the Company as at the date of this Information Memorandum is set forth below.

Sr.No	Particulars	Aggregate value at face value/ Aggregate Nominal Value
A.	Authorized Share Capital	
	1,20,00,000 Equity Shares of face value of Rs. 10 each	12,00,00,000
B.	Issued, subscribed and paid-up Equity Share Capital	
	71,75,000 Equity Shares of face value of Rs. 10 each	7,17,50,000

The securities premium account of the Company is set forth below -

There is no balance outstanding in the Securities Premium Account.

The Equity Share Capital history of Our Company is set forth below.

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price (Rs.)	Consideration on (cash, bonus, consideration other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
29/07/2007	50,000	10	10	Cash	Subscription to MOA	50,000	5,00,000	Nil
06.02.2014	21,60,000	10	10	Cash	Preferential Allotment	22,10,000	2,21,00,000	Nil
04.03.2014	6,20,000	10	10	Cash	Preferential Allotment	28,30,000	2,83,00,000	Nil
31.03.2014	4,65,000	10	10	Cash	Preferential Allotment	32,95,000	3,29,50,000	Nil
11.06.2014	12,20,000	10	10	Cash	Preferential Allotment	45,15,000	4,51,50,000	Nil
25.08.2014	26,60,000	10	10	Cash	Preferential Allotment	71,75,000	7,17,50,000	Nil

Shareholding of our Promoter:

Set forth below are the details of the buildup of shareholding of our Promoters

Networth Stock Broking Limited

Office no.901/902, 9thFloor,
Atlanta Centre, Opp. Udyog Bhavan,
Sonawala Road, Goregaon (East), Mumbai – 400063
Pan: AAACN1184F

Date of Allotment / Transfer	Considera tion	No. of Equity Shar es	Face value Per Share (Rs)	Issue / Acquis ition/Transfer price (Rs.)	Nature of Transactio ns	sharehold ing %
29/06/2007	Cash	49400	10	10	Allotment	0.69
09/10/2014	Cash	1450000	10	10	Transfer	20.20

(I)(a) Statement showing Shareholding pattern of Networth SoftTech Limited as per clause 34 of Listing on Institutional Trading Platform

Category code (I)	Category of shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares	Shares Pledged or Otherwise encumbered	
						As a percentage of (A+B) (VI)	Number of Shares (VII)
(A)	Promoter and Promoter Group						
(1)	Indian	NIL	NIL	NIL	NIL	NIL	NIL
(a)	Individuals/ Hindu Undivided Family	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Bodies Corporate	1	1499400	1499400	20.90%	NIL	NIL
(d)	Financial Institutions/ Banks	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL
	Sub – total (A) (1)	1	1499400	1499400	20.90%	NIL	NIL
(2)	Foreign						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Institutions	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-Total (A)(2)	NIL	NIL	NIL	NIL	NIL	NIL

	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1	1499400	1499400	20.90%	NIL	NIL
(B)	Public shareholding						
(1)	Institutions						
(a)	Mutual Fund/UTI	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Financial Institutions/Banks	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Central Government/State Government	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Alternate Investment Funds / Venture Capital Funds	1	5,00,000	NIL	6.97%	NIL	NIL
(e)	Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL
(f)	Foreign Institutional Investors	NIL	NIL	NIL	NIL	NIL	NIL
(g)	Foreign Venture Capital Investors	NIL	NIL	NIL	NIL	NIL	NIL
(h)	Any other Merchant Banker	NIL	NIL	NIL	NIL	NIL	NIL
	Sub – Total (B) (1)	1	5,00,000	NIL	6.97%	NIL	NIL
(2)	Non – institutions						
(a)	Bodies	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Individuals	105	5175600	450000	72.13%	NIL	NIL
(c)	Qualified Foreign Investors					NIL	NIL
(d)	Any Other	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-Total (B)(2)	105	51,75,600	450000	72.13%	NIL	NIL
	Total Public Shareholding (B)= (B)(1)+(B)(2)	106	56,75,600	450000	79.10%	NIL	NIL
	TOTAL (A)+(B)	107	71,75,000	1949400	100.00%	NIL	NIL

(I) (b) Statement showing shareholding of persons belonging to the category “Promoter and Promoter Group “

Sr.No.	Name of Shareholder	Details of Shares Held		Shares pledged or Otherwise encumbered			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No of Shares Held	As a % of grand total (A) + (B)	No.	As a percentage	As a % of grand total (A) + (B)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible held	As a % total number of the same class	
1	Networth Stock Broking Ltd	1499400	20.90%	-	-	-	-	-	-	-	20.90 %
	Total	1499400	20.90%	-	-	-	-	-	-	-	20.90 %

(D)(C) Statement showing Shareholding of persons belonging to the category “Public and holding more than 1% of the total number of shares

Sr. No.	Name of Shareholder	Number of shares	Shares as a percentage of total number of shares {i.e. Grand Total (A)+(B) indicated in Statement at para (I)(a) above}
1.	Next Orbit Ventures Fund	5,00,000	6.97%
2.	Mr. Manish Desai	5,00,000	6.97%
3.	Mr. Dipak Doshi	5,00,000	6.97%
4.	Mr. Anil Doshi	2,50,000	3.48%
5.	Mr. Nilang Doshi	2,50,000	3.48%
6.	Mehul Dahyabhai Patel HUF	1,60,000	2.23%
7.	Mr. Tushar Desai	1,50,000	2.09%
8.	Mr. Brijesh Desai	1,50,000	2.09%
9.	Mr. Purav Dahyabhai Patel	1,50,000	2.09%
10.	Dayabhai Narayandas Patel HUF	1,50,000	2.09%
11.	Mr. Mehul Dahyabhai Patel	1,40,000	1.95%
12.	Ms. Vimlaben Dayabhai Patel	1,40,000	1.95%
13.	Mr. Dayabhai Narayandas Patel	1,20,000	1.67%
14.	Ms. Bindi Mehul Patel	1,20,000	1.67%
15.	Mr. Hitesh Gothi	1,00,000	1.39%
16.	Pragneshbhai H. Shah	90,000	1.25%
17.	Hasmukhbhai B. Makwana	90,000	1.25%
18.	Alpeshbhai H Shah	84,000	1.17%
	TOTAL	36,44,000	50.79%

(d) Statement showing details of locked-in shares

Sr.No	Name of Shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B) indicated in Statement at para (I)(a) above}
1.	Networth Stock Broking Limited	14,99,400	20.90%
2.	Next Orbit Ventures Fund	5,00,000	6.97%
	TOTAL	19,99,400	27.87%

(II) (a) Statement showing details of Depository Receipts (DRs)

Sr. No	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a)above}
			NIL	

(II) (b) Statement showing holding of Depository Receipts (DRs), where underlying shares are in excess of 1 % of the total number:

Sr. No	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a)above}
			NIL	

5. PROPERTY

Description of Properties of Company is set forth below –

Registered Office:

Our Registered Office is located at 901/902, 9th floor, Atlanta Centre Opp. Udyog Bhawan, Sonawala road, Goregaon (E) Mumbai - 400063. The registered office is facilitated by persons forming part of promoter group i.e. Networth Stock Broking Ltd. They have permitted us to use the premises as Registered Office without any rental charge.

Intellectual Property

Company has registered its trademarks under two classes viz. Trade mark no. 1785424 dated 16/02/2009 and Trade mark no. 1823604 dated 29/05/2009.

SECTION II – RISK FACTORS

Materiality

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

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

Note:

The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

INTERNAL RISK FACTORS

1. The Registered Office of our Company is not owned/rented by us.

Our Registered Office is located at 901/902, 9thFloor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai – 400063. The registered office of the Company is not owned by us and has been taken on rent by our Promoter and has permitted us to use the same. We operate on lease facilities entered into by our Promoter & permitted to us, but these lease agreements can be terminated by the lessors at the end of the lease period. In case of such termination, we may encounter delay in finding suitable alternative properties in required time frame or may not find alternative at all.

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

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

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

We have entered into related party transactions with our Promoters and Directors. While we believe that all such transactions have been conducted on the arms length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future.

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

Our Company does not have any long term commitments with our customers for purchases of our products. As a result, we may be dependent on the recurring purchase orders received from time to time. There is no assurance that our Company will continue to receive purchase orders for our products either on substantially the same terms or at all, which could have an adverse effect on our Company's operations and profitability. Further, any change in the buying pattern of our end users can adversely affect the business and results of operations of our Company.

5. Company has incurred losses in FY2010-11 & even in FY2012-13 Net Profit of the Company has been reduced in comparison to FY2011-12

Company has incurred losses of Rs.346899/- in FY2010-11 & even in FY2012-13 Net Profit of the Company has reduced by 64.17% in comparison to FY2011-12.

6. Failure on our part to meet consumer expectations could impact our business operations.

Our business depends on consumer preferences which cannot be predicted with certainty and are subject to rapid change. We feel that if we fail to understand and in turn respond in a timely and appropriate manner to changing consumer demand with quality products, our brand name and brand image may be impaired and in turn result in decline in sales or leave us with substantial amount of unsold inventory. We may not be able to successfully meet changing consumer demands in future. In addition, any new products or brands that we introduce in future may not be successfully received by retailers and consumers. Any failure on our part to successfully meet consumer demand or preference may negatively affect our business, financial condition and results of operations.

7. We have high working capital requirements. If we experience insufficient cash flows to meet required payments on our working capital requirements, there may be an adverse effect on our results of operations

Our business requires a substantial amount of working capital. In many cases, working capital is required to finance the purchase of materials and execution of work on projects before payment is received from clients. Our working capital requirements may increase if, in certain contracts, payment terms do not provide for advance payments to us or if payment schedules are less favourable to us. We may need to borrow funds in the future to fulfill our working capital needs. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

8. Our Company is dependent on the Information Technology Industry and any radical change or downturn may have an impact on our business.

Our sales revenue is predominantly derived from the sale of IT products. The industry is highly fragmented in nature and competitive. In case of any downturn in this industry, or if the demand does not keep in pace with the supply build-up in the industry, our business operations may be adversely affected. Further, if we are unable to maintain an upgraded supply of new technological developments in our industry, it may adversely affect our sales revenue and impact our business.

9. We are entering into a new line of business

We are entering into a new line of business that is Marketing of Hardware Devices viz. NVR, Cameras & Mobile News Gathering Devices all across the Globe, which will have different set of customers and the present management / promoters are not well versed with this line of business. We are in the process of identifying potential markets and customers. At present, we cannot give any assurance that we shall be successful in selling our entire production.

10. We operate on low gross margins and a slight variation in revenues and operating costs can have a significant impact on our operating results.

The IT hardware industry is a highly competitive one and this results in low gross margins. Further, any decrease in the demand for our products may hinder our ability to maintain or improve our gross margins. Moreover a portion of our operating expenses is relatively fixed and a slight reduction in revenues or our inability to manage our costs can adversely affect our results of operation and financial condition.

11. Supply Chain Management plays a very vital role in our business.

A strong supply chain system is essential to ensure availability of stock. We rely on our supply chain management to optimize our inventory position and reduce cost. We strive to keep optimum inventory to control our working capital requirements.

12. All of our facilities would be geographically located in one area only

All of our facilities would be geographically located in one area only. As a result of this, if there is any localized social unrest, natural disaster or breakdown of services and utilities in that area, it may affect our business adversely.

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

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

14. Major fraud, lapses of internal control or system failures could adversely impact the company's business.

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

15. We may not be successful in implementing our business strategies.

The success of our business largely depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectation of our targeted customers. Changes in the regulation applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

EXTERNAL RISK FACTORS

16. Political, economic and social changes in India could adversely affect our business.

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

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

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

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

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

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

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

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

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

RISKS RELATING TO THE EQUITY SHARES

21. Our Company may raise further rounds of equity financing in which the existing shareholders may not participate resulting in reduction of their percentage of holding in our company.

In order to grow business, our Company may require additional funds at various points of time. Our Company may raise funds through various means including debt, equity and securities convertible into equity. Any such issuances of equity and securities convertible into equity would dilute the holding of Equity Shareholders. Difficult market conditions can adversely affect our business in many ways, including by reducing the volume of the transactions involving our advisory business, and these could materially reduce our revenue or income.

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

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

23. The price of our Equity Shares may be volatile.

The trading price of our Equity Shares may fluctuate after the listing due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions,

strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares.

24. Active trading market for our Equity Shares may not develop.

Till date there has been no public market for our Equity Shares. We propose to list our Equity Shares on Equity Shares on Institution Trading Platform (ITP) of BSE SME. We cannot assure that pursuant to listing on ITP, active trading market of our Equity Shares or for securities convertible in to Equity Shares would develop as trading on ITP is subject to certain restrictions viz minimum trading lot on institutional trading platform is Rs. 10 Lacs. Further the securities listed on ITP will be mandatorily exited within 18 months of triggering various events such as completion of ten years on listing of ITP or attaining paid up capital of Rs. 25 Crores or attaining revenue of Rs. 300 Crores or attaining market capitalization of Rs. 500 Crores.

Pursuant to this, there can be no assurance that an active trading market for our Equity Shares will develop or be sustained after the listing.

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

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

SECTION III – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information concerning the beneficial ownership of our shares by each person known by us to be the beneficial owner (In case different from registered owner) of the issued and subscribed capital.

Class / Type of Securities	Name & Address of Beneficial Owner	Amt. & Nature of beneficial ownership	Percentage
Equity Shares	Nil	Nil	Nil

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of this Information Memorandum.

SECTION IV – OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has four (4) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Date of Assuming office in the Company	Status of Directorship in our Company	Directorship in other Companies
Mr. Kanu Varu, 5-6, Jay Somnath Society, At - Sanand, Ahmedabad, Gujarat:-382110	31 Years	21/07/2014	Managing Director	Nil
Ms. Jayshree Ghodadra, B-11, Krishna Kunj, 1 st Floor, Opp Shamrao Vithal Bank, M.G. Road, Kandivali (West) Mumbai-400067, Maharashtra, INDIA.	49 years	27/06/2014	Director	Networth Commodities & Investments Ltd, Networth Insurance Broking Pvt Ltd, Ravisha Financial Services Pvt Ltd, Networth Wealth Solutions Ltd & Networth Financial Services Ltd
Mr. Surendrakumar Jaiswal, 1104, Prathmesh Tower, MMGS Marg, Dadar (E), Mumbai – 400014, Maharashtra, INDIA.	60 Years	17/09/2014	Independent Director	VCU Data Management Limited
Mr. Suresh Angadi, 701, Laxmi Appt, Sai Complex, Navghar Road, Mulund (E), Mumbai – 400081, Maharashtra, INDIA	59 Years	17/09/2014	Independent Director	Nil

DETAILS OF DIRECTORS

Mr. Kanu Varu

Mr. Kanu Varu is the Managing Director of the Company. He has completed his Master's degree in Computer Science from North Gujarat University and has the rich experience in the field of software development. He has skills in handling variety of work like Web & Windows based E-Commerce Solutions using ASP.NET [VB, C#], VSS, XML, Net Framework. His expertise Domains is in the field of Finance, banking and E- commerce based Development.

Ms. Jayshree Ghodadra

Ms. Jayshree Ghodadra is Director in our Company. She has completed her first year B.com examination from Gokhale College, Borivali from Mumbai University and also passed NCFM Certification exams (Dealers) for cash segments. She has 23 years of experience in Stock Broking operations, Funds and Settlement, Finance & Accounts and NBFC. She has automated the full system on Sub Broker Payouts , implemented automation in pradnya software for uploading funds pay in (receipt)/ funds payout (payment) entries. She has also implemented process to hold funds payout against fresh purchases, implemented inter segment funds transfer which are carried out weekly to alternate day for all the client, with accuracy and experience, tallied Bank and client account of IPO and maintained systematic flow of all NBFC related activities. Her experience has gained her the accuracy, logic and ideas to develop software funds pay in/ payout and NBFC.

Mr. Suresh Angadi

Mr. Suresh Angadi aged 58 years has done his B.A.. Mr. Angadi was a Senior Inspector for 4 years and retired as ACP after 1.5 year's experience. Mr. Angadi has strong experience in security and surveillance related matters.

Mr. Surendra Jaiswal

Mr. Surendra Jaiswal aged 60 years has done his B.A. Mr. Jaiswal has spent his 25 years of Service as Senior Inspector & presently is practicing as Security Consultant. Mr. Jaiswal has strong experience in security and surveillance related matters.

NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

None of directors are having any family relations.

TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

1. Mr. Kanu Varu

Name	Mr. Kanu Varu
Designation	Managing Director
Period	1 year
Date of Appointment	21 st July, 2014
Remuneration	Rs. 70,528/- p.m.
Remuneration paid in FY 31 st March, 2013	NA #

NA – Not Applicable

Except with M.D. there is no definitive service agreement that has been entered into between our Company and the other Director in relation to their appointment.

NON – EXECUTIVE DIRECTORS

Currently, non-executive Directors are not being paid sitting fees or any other kind of remuneration.

CORPORATE GOVERNANCE

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

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has 4 Directors. We have 1 executive director, 1 non-executive non independent director and 2 independent non executive directors. The constitution of our Board is in compliance with the requirements of Clause 52 of the Listing Agreement.

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

- A) Audit Committee
- B) Stakeholders Relationship Committee
- C) Nomination and Remuneration Committee

A) AUDIT COMMITTEE

Our Company has constituted an audit committee ("*Audit Committee*"), as per the provisions of Section 177 of the Companies Act, 2013 and Clause 42 of the ITP Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 17th September, 2014.

The terms of reference of Audit Committee complies with the requirements of Clause 42 of the ITP Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following 3 directors. Mr. Suresh Angadi is the Chairman of the Audit Committee.

	Name of the Director	Status	Nature of Directorship
1.	Mr. Suresh Angadi	Chairman	Independent
2.	Mr. Surendrakumar Jaiswal	Member	Independent
3.	Ms. Jayshree Ghodadra	Member	Non Executive Director

Role of Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report;
5. Reviewing, with the management, the 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, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
13. To review the functioning of the Whistle Blower mechanism;
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Review of management discussion and analysis of financial condition and results of operations;
16. Review of statement of significant related party transactions (as defined by the audit committee), submitted by management;
17. Review of management letters / letters of internal control weaknesses issued by the statutory auditors;
18. Review of internal audit reports relating to internal control weaknesses;
19. Appointment, removal and terms of remuneration of the Chief internal auditor, if any.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

As per the Companies Act 2013 the additional responsibilities, as required under Section 177, in the terms of reference of the Audit Committee required to be incorporated. Section 177 (4) of the Companies Act, 2013 now provides that the terms of reference of every Audit Committee, inter alia, shall further include the following:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditor's report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters;
- (ix) Setting up of vigil mechanism and oversee the functioning of the mechanism
- (x) Carry out any other function as may be referred to it by the Board

The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board

and may also discuss any related issues with the internal and statutory auditors and the management of the company.

The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

B) STAKEHOLDERS RELATIONSHIP COMMITTEE

Our Company has constituted a Stakeholders Relationship Committee to redress the complaints of the shareholders. The Stakeholders Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 17th September, 2014. The committee currently comprises of 3 Directors. Mr. Suresh Angadi is the Chairman of the Shareholders Relationship committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Suresh Angadi	Chairman	Independent
2.	Mr. Surendrakumar Jaiswal	Member	Independent
3.	Ms. Jayshree Ghodadra	Member	Non Executive Director

Company Secretary of the Company shall be the Secretary of the Stakeholder's Relationship Committee.

Role of Shareholders Relationship committee

1. To take action for efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures;
2. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, duplicate share certificates etc.;
3. Issuance of duplicate / split / consolidated share certificates;
4. To take effective action for allotment and listing of shares;
5. To monitor, under the supervision of the Company Secretary, the complaints received by the Company SEBI, Stock Exchanges, Department of Company Affairs, ROC and the Share/ Debentures/ Security holders of the Company etc., and the action taken for redressal of the same.
6. To monitor and expedite the status and process of dematerialisation and rematerialisation of shares, debentures and securities of the Company.

C) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 17th September, 2013. The committee currently comprises of 3 Directors. Mr. Suresh Angadi is the Chairman of the Shareholders/ Investors Grievance committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Suresh Angadi	Chairman	Independent
2.	Mr. Surendrakumar Jaiswal	Member	Independent
3.	Ms. Jayshree Ghodadra	Member	Non Executive Director

The terms of reference of every Nomination and Remuneration Committee, inter alia, to include the following:

1. The Committee to identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, -
2. Recommend to the Board their appointment and removal,
3. Carry out evaluation of every director's performance.
4. Formulate the criteria for determining qualifications, positive attributes and independence of a director and
5. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees

SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors:

Name of Director	Number of Equity	% of Paid up Share Capital
-	-	-
Total	Nil	Nil

CONFIRMATIONS

There is no arrangement or understanding between any Director and any other person(s) pursuant to which he was or is to be selected as a director or nominee.

SECTION V – OUR PROMOTERS & PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company are:

Networth Stock Broking Limited (NSBL).

DETAILS OF OUR PROMOTERS ARE AS UNDER:

<p>Networth Stock Broking Limited (NSBL):-</p>	<p>NSBL is a member of the National Stock Exchange of India Ltd (NSE) and the Bombay Stock Exchange Ltd (BSE) in the Capital Market and Derivatives (Futures & Options) segment. NSBL has also acquired membership of the currency derivatives segment with NSE, BSE, USE & MCX-SX. It is Depository participants with Central Depository Services India (CDSL) and National Securities Depository (India) Limited (NSDL). With a client base of around 100,000 loyal Customers. NSBL is spread across the country though its around 350 branches. NSBL is listed on the BSE since 2001. NSBL is currently a financial services boutique and deals in Retail and corporate broking, corporate finance and advisory services, Mutual fund and Insurance products distribution and allied services and also provide research on contract basis.</p>
<p>Main Objects</p>	<p>A. 1. (1) To undertake and carry on the business of consultancy in the field of finance, capital market, commodity market, foreign exchange market, to act as Managers to issues and offers, to act as financial consultants, joint managers, lead managers, co-managers, advisers and counsellors in investment and capital market, to underwrite, sub-underwrite, or to provide stand by or procurement, arrangement, to issue guarantees.</p> <p>(2) To deal in foreign exchange, to act as full-fledged money changers, foreign exchange brokers, foreign exchange money transfer agents with the approval of concerned authority.</p> <p>(3) To obtain Banking licence subject to the permission of concerned authority.</p> <p>(4) To obtain licence to carry on insurance business subject to the permission of concerned authority.</p> <p>(5) To carry on the business of :</p> <p>(i) acting as managers of mutual funds, unit trusts, investment funds or any other pool or portfolio of securities, properties, assets or investments of any kind including any pension, provident fund or superannuation fund set up, formed or established by the Company or any other person, or by any government, state, local authority, association, institution or any other agency or organisation.</p> <p>(ii) preparing, undertaking, executing, administering mutual fund schemes, unit trust scheme and to issue units or participation certificates therein to investors and to distribute, redeem or revoke such funds and to distribute the proceeds thereof amongst the investors, beneficiaries, pensioners or other persons entitled to it of any proceeds of such funds including of any income, capital or annuity, property and asset and whether in</p>

	<p>money or specie, in furtherance of any discretion, obligation or permission.</p> <p>(iii) rendering and offering consultancy services and/or acting as advisors to banks, institutions, bodies corporate, government or any other person for setting up mutual funds, investment pools.</p> <p>* 6. (i) To carry on the business as share and stock brokers, agents, market makers and dealers for dealing in stocks, shares, debentures, bonds, units, options, participation certificates, company deposits, deposit certificates, money market generally for securities, savings certificates and generally for securities of all kinds by way of e-broking or through other media, e-commerce (hereinafter collectively referred to as “securities”), to acquire and hold one or more memberships / dealership in stocks / securities exchanges, associations, clearing houses in India or any part of the world and to acquire and hold membership in any association of bankers, merchant bankers, Underwriters, Sub-Underwriters, Managers, Brokers, Registrars, Advisors and / or Consultants to private and /or public issues of securities, fund managers, securities dealers or any other associations, membership of which or is likely in any way to facilitate the conduct of the Company’s business.</p> <p>(ii) To manage the funds of investors by investment in various avenues and to act as portfolio managers and to pass on the benefits of such investments to the investors by way of dividends, bonus, interest or share in profit, provide a complete range of personal financial services like investment planning, real estate planning & broking, tax planning, portfolio investment & investment consultancy services.</p>
Date of Incorporation	02/12/1993
CIN	L65920MH1993PLC075393
PAN	AAACN1184F
Registered Office Address	Office No.901/902,10th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai- 400063
Promoters	Mr. Suresh P. Jain Ms. Kanta S. Jain Mr. Raj Bhandari
Board of Directors	Mr. Suresh P. Jain Mr. Randhir Singh Sisodiya Mr. Mohit Agarwal Mr. Sanjay Motta Mr. Praveen Toshniwal

Audited Financial information –

Particulars	Year ended 31.3.2012	Year ended 31.3.2013	Year ended 31.3.2014
Income	214575421	206781372	175878669
Profit After Tax	(28501723)	7791602	(8560385)
Equity Capital	112316000	112316000	112316000
Reserves & Surplus	166839761	174631363	166070978
EPS (Rs.)	(2.54)	0.69	(0.76)
Net Asset Value per share of face value of Rs.10/- each	24.85	25.55	24.79

Nature of interest of our Promoters / Directors

Name	Number of shares of Rs.10/- held	% to total shareholding
Networth Stock Broking Limited	1499400	20.90%
Total	1499400	20.90%

Shareholding of Networth Stock Broking Ltd. as on 30/09/2014

(I)(a) Statement showing Shareholding pattern of Networth Stock Broking Limited as per clause 35 of Listing Agreement.

Category code (I)	Category of shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	Number of Shares (VIII)	As a percentage (IX) =(VIII)/(I V)*100
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	3	3571287	3571287	31.80	31.80	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub – total (A) (1)	3	3571287	3571287	31.80	31.80	0	0.00
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0.00	0	0.00	0.00	0	0.00

(c)	Institutions	0	0.00	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0.00	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0.00	0	0.00	0.00	0	0.00
	Sub-Total (A)(2)	0	0.00	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	3	3571287	3571287	31.80	31.80	0	0.00
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Fund/UTI	0	0.00	0	0.00	0.00	0	0.00
(b)	Financial Institutions/Banks	2	299145	298845	2.66	2.66	0	0.00
(c)	Central Government/State Government	0	0.00	0	0.00	0.00	0	0.00
(d)	Alternate Investment Funds / Venture Capital Funds	0	0.00	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0.00	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	1	9155	9155	0.08	0.08	0	0.00
(g)	Foreign Venture Capital Investors	0	0.00	0	0.00	0.00	0	0.00
(h)	Any other (Specify)	0	0.00	0	0.00	0.00	0	0.00
	Sub – Total (B) (1)	3	308300	308000	2.74	2.74	0	0.00
(2)	Non – institutions							
(a)	Bodies Corporate	135	2470518	2458867	22.00	22.00	0	0.00
(b)	Individuals							
I	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	4269	1981170	1724178	17.64	17.64	0	0.00
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	69	2467449	2467449	21.97	21.97	0	0.00
(c)	Any Other (specify)- Director	1	1100	1100	0.01	0.01	0	0.00
(c-i)	N.R.I. (Repat & Non-Repat.)	12	118384	118384	1.05	1.05	0	0.00
(c-	Hindu Undivided	145	312917	312917	2.79	2.79	0	0.00

ii)	Family							
(c-iii)	Clearing Members	5	1575	1575	0.01	0.01	0	0.00
	Sub-Total (B)(2)	4636	7353113	7084470	65.47	65.47	0	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)	4639	7661413	7392470	68.21	68.21	0	0
	TOTAL (A)+(B)	4642	11231600	10963757	100.00	100.00	0	0
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0		0.00	0	0.00
2	Public	0	0	0		0.00	0	0.00
	Sub-Total (C)	0	0	0		0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	4642	11231600	10963757		100.00	0	0.00

(I) (b) Statement showing shareholding of persons belonging to the category “Promoter and Promoter Group “

Sr.No.	Name of Shareholder	Details of Shares Held		Shares pledged or Otherwise encumbered			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No of Shares Held	As a % of grand total (A) + (B)	No.	As a percentage	As a % of grand total (A) + (B)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible held	As a % total number of the same class	
1	Suresh P Jain	3292137	29.31	0	0.00	0.00	0	0.00	0	0.00	29.31
2	Kanta Suresh Jain	278300	2.48	0	0.00	0.00	0	0.00	0	0.00	2.48
3	Raj Bhandari	850	0.01	0	.00	0.00	0	0.00	0	0.00	0.01
	Total	3571287	31.80	0	0.00	0.00	0	0.00	0	0.00	31.80

(I)(C) (i) Statement showing Shareholding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public and holding more than 1% of the total number of shares

Sr. No.	Name of Shareholder	Number of shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible		Total shares (including underlying shares assuming full conversion of warrants and convertible debentures) as a % of diluted share capital
				No of warrants held	As a % total number of warrants of the same class	No of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	DSP HMK Holdings Pvt. Ltd.	519043	4.62	0	0.00	0	0.00	4.62
2	Spot Light Securities Pvt. Ltd.	480545	4.28	0	0.00	0	0.00	4.28
3	Fruition Venture Ltd.	350000	3.12	0	0.00	0	0.00	3.12
4	Prithviraj Babulal Bafna	320000	2.85	0	0.00	0	0.00	2.85
5	Punjab National Bank	298845	2.66	0	0.00	0	0.00	2.66
6	Innovate Derivatives Pvt. Ltd.	162500	1.45	0	0.00	0	0.00	1.45
7	Usha Mahendra Sanghvi	151270	1.35	0	0.00	0	0.00	1.35
8	Teletec Finsec India Private Ltd	142145	1.27	0	0.00	0	0.00	1.27
9	Pushpaben Gadhecha	134750	1.20	0	0.00	0	0.00	1.20
10	C. D. Inegrated Services Limited	126847	1.13	0	0.00	0	0.00	1.20
	TOTAL	2685945	23.91	0	0.00	0	0.00	23.91

(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category “Public” and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	Nil	Nil	Nil	0	0.00	0	0.00	Nil
TOTAL		0	0	0	0.00	0	0.00	0

(d) Statement showing details of locked-in shares

Sr.No	Name of Shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B) indicated in Statement at para (I)(a) above}
1.	NIL	0	0.00
	TOTAL	0	0.00

(II) (a) Statement showing details of Depository Receipts (DRs)

Sr. No	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a)above}
			NIL	

(II) (b) Statement showing holding of Depository Receipts (DRs), where underlying shares are in excess of 1 % of the total number:

Sr. No	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a)above}
			NIL	

Stock Market Data

Month	High Price (Rs.)	Low Price (Rs.)	Total Monthly Volume
Oct.'13	12.85	8.52	4,00,407
Nov.'13	15.00	12.02	3,93,298
Dec.'13	14.50	12.36	1,93,380
Jan.'14	13.00	9.62	1,86,558
Feb.'14	13.69	9.84	24,25,620
Mar.'14	19.23	14.37	16,74,578
Apr.'14	18.70	14.00	23,12,123
May.'14	20.20	15.15	12,36,199
Jun.'14	23.00	18.00	13,10,467
Jul.'14	30.10	18.75	38,31,505
Aug.'14	29.75	23.00	21,94,735
Sep.'14	30.35	22.05	48,54,431

Detail of other companies promoted by Networth Stock Broking Limited:

1. **Networth Commodities & Investment Ltd** (CIN No. U67120MH2000PLC128451) was incorporated on 25th August, 2000 under the Companies Act, 1956.

Main Objects:

1. a) To carry on the business in agricultural products, metals including precious metals, precious stones diamonds, petroleum and energy products and all other commodities in spot markets and in futures and all kinds of directives of all the above commodities and securities.

b) To carry on business as brokers, sub brokers, market makers , arbitrageurs, investors and/or hedgers in agricultural products, metals including precious metals , precious stones , diamonds, petroleum and energy products and all other commodities and securities.

c) To become members and participate in trading, settlement and other activities of commodity exchanges/s (including National Multi – Commodity Exchanges /s) facilitating, for itself or for clients, trades and clearing/settlement of trades in spots, in futures and in derivatives of all the above commodities permitted under the laws of India.

2. To act as managers to issues and offers , to act as financial consultants , joint managers , lead manager, co – manager , advisors and counselors in investment and capital market , to underwrite, sub underwrite, or to provide stand by or procurement, arrangement , to issue guarantees & to carry on the business of an investment company for that purpose to acquire and hold , either in the name of the company or any nominee or trustee , shares , stocks , debentures , debenture stock (perpetual or otherwise), annuities, bonds , mortgages, obligation, and securities issued or guaranteed by any company, corporation or undertaking of whatever nature and shares, stock, debentures, debenture stock

(perpetual or otherwise), annuities, bond, notes, mortgages, obligations and securities issued or guaranteed by any government, public body or authority, or statutory corporation or enterprise and from time to time to vary any such investments & to carry on the business of stock brokers, share-brokers, investment brokers, insurance brokers.

Registered Office no. 901/902, 9th Floor, Atlanta Centre, Opp Udyog Bhavan, Sonawala Lane, Goregaon East, Mumbai – 400063, Maharashtra.

Shareholding of Networth Commodities & Investment Ltd

Sr. No.	Name	Number of Shares held	Amount paid – up (Rs.)	%age of total
1.	Networth Stock Broking Limited	14,00,100	1,40,01,000	99.95
2.	S. P. Jain jointly with Networth Stock Broking Limited	100	1,000	0.01
3.	Sanjay Bhandari jointly with Networth Stock Broking Limited	100	1,000	0.01
4.	Vijay Bhandari jointly with Networth Stock Broking Limited	100	1,000	0.01
5.	Kanta Jain jointly with Networth Stock Broking Limited	100	1,000	0.01
6.	Pukhraj Bhandari jointly with Networth Stock Broking Limited	100	1,000	0.01
7.	Raj Bhandari jointly with Networth Stock Broking Limited	100	1,000	0.01
	TOTAL	14,00,700	1,40,07,000	100.00

Board of Directors

Name	DIN No	Date of Appointment
Suresh Pukhraj Jain	00048463	25/08/2000
Randhir Singh Sisodiya	05285441	24/05/2012
Jayshree Babulal Ghodadra	06909047	27/06/2014

Audited Financial Information of Networth Commodities & Investment Ltd

Particulars	FY 2014	FY 2013	FY 2012
Equity Share Capital	1,40,07,000	1,40,07,000	1,40,07,000
Reserves & Surplus	(5,05,398)	93,39,097	1,20,64,472
Revenue	2,89,35,481	3,61,75,646	4,36,50,518
Profit / (Loss) after tax	(98,44,495)	(27,25,375)	43,05,645

2. **Networth Wealth Solutions Ltd** (CIN No. U67120MH2008PLC179566) was incorporated on 29th February, 2008 under the Companies Act, 1956.

Main Objects:

(a) To carry on in India or abroad the business of distribution of third party products including mutual funds, life and non – life insurance, unit trust, investment funds, structured products, public issues, pensions, provident fund or superannuation fund or any other pool or portfolio of securities, properties assets or investments of any kind set up formed or established by the Company or any other person, or by any government, state, local authority, association, institution or any other agency or organization.

(b)) To carry on in India or abroad the business or engage in portfolio management, securities investment advisor, research in various investment opportunities, financial consultancy, consultancy in investment and capital markets, and all other related financial services.

Registered Office no. 901/902, 9th Floor, Atlanta Centre, Opp Udyog Bhavan, Sonawala Lane, Goregaon East, Mumbai – 400063, Maharashtra.

Shareholding of Networth Wealth Solutions Ltd. -

Sr. No.	Name	Number of Share held	Amount paid – up Rs.	% age of total
1.	Networth Stock Broking Limited	999400	9994000	99.94
2.	S. P. Jain jointly with Networth Stock Broking Limited	100	1000	0.01
3.	Manish Ajmera jointly with Networth Stock Broking Limited	100	1000	0.01
4.	Girish Dev jointly with Networth Stock Broking Limited	100	1000	0.01
5.	Nilesh Podchetti jointly with Networth Stock Broking Limited	100	1000	0.01
6.	Jacob Varkey jointly with Networth Stock Broking Limited	100	1000	0.01
7.	J. Gopalakrishnan jointly with Networth Stock Broking Limited	100	1000	0.01
	TOTAL	10,00,000	1,00,00,000	100.00

Board of Directors

Name	DIN No	Date of Appointment
Randhir Singh Sisodiya	05285441	24/05/2012
Rushikesh Kantilal Parikh	06371023	04/09/2012
Jayshree Babulal Ghodadra	06909047	27/06/2014

Audited Financial Information of Networth Wealth Solutions Ltd

Particulars	FY 2014	FY 2013	FY 2012
Equity Share Capital	1,00,00,000	1,00,00,000	1,00,00,000
Reserves & Surplus	(11,14,88,369)	(11,16,45,998)	(11,22,95,074)
Revenue	30,88,608	31,26,662	1,72,43,624
Profit / (Loss) after tax	1,57,629	6,49,076	5,79,997

3. **Ravisha Financial Services Pvt. Ltd. (CIN No. U65900MH1996PTC100919)** was incorporated on 11th July, 1996 under the Companies Act, 1956.

Main Objects:

1) To carry on the business of finance and operate as share brokers, agents, dealers, sponsors traders and market makers, in India or abroad and to carry on the activities of finance, leasing hire purchase, factors securitization, financial and negotiable instruments in any field of the capital market, money finance market, investment market and others in any industrial, commercial , government enterprises and consumer fields and any other by any methods, system modes, means that may be relevant and appropriate from time to time hereto.

2) To carry on the business and to act as financial, tax, investment management consultants and provide advice, services, consultancy in various fields including administration, secretarial, commercial, financial, legal accounting taxation ,

employment , investment marketing, scientific, technical , data processing, computers and banking, formation of reports, economic matters and to act as Lead Managers, Advisors to the issue, underwriters, merchant bankers, registrar and transfer agents, issue house in respect of issue of shares, debentures and other securities of the Company, association and undertakings.

Registered Office: 901/902, 9th Floor, Atlanta Centre , Opp Udyog Bhavan , Sonawala Lane , Goregaon East , Mumbai – 400063, Maharashtra.

Shareholding of Ravisha Financial Services Pvt. Ltd. -

Sr. No.	Name	Number of Share held	Amount paid-up Rs.	% of total
1.	Networth Stock Broking Limited	4999900	49999000	99.99
2.	Manish Ajmera jointly with Networth Stock Broking Limited	100	1000	0.01
	TOTAL	5000000	50000000	100.00

Board of Directors

Name	DIN No	Date of Appointment
Praveen Ghanshyam Toshniwal	01691763	11/12/2012
Randhir Singh Sisodiya	05285441	24/05/2012
Jayshree Babulal Ghodadra	06909047	27/06/2014

Audited Financial Information of Ravisha Financial Services Pvt. Ltd.

Particulars	FY 2014	FY 2013	FY 2012
Equity Share Capital	5,00,00,000	5,00,00,000	5,00,00,000
Reserves & Surplus	(2,83,13,881)	(2,15,61,997)	1,82,67,368
Revenue	2,72,46,565	2,27,93,344	9,96,88,048
Profit / (Loss) after tax	(67,51,553)	(3,98,29,366)	24,79,533

4. **Networth Insurance Broking Pvt. Ltd (Cin No. U66030MH2008PTC184334)** was incorporated as on 7th July, 2008 under Companies Act, 1956.

Main Objects: To carry on the business of insurance broking and to procure insurance contracts and for placement of risk, with permission from Insurance Regulatory and Development Authority to carry on all such insurance and broking related business.

Registered Office: 901/902, 9th Floor, Atlanta Centre, Opp Udyog Bhavan, Sonawala Lane , Goregaon East , Mumbai – 400063, Maharashtra.

Shareholding of Networth Insurance Broking Pvt. Ltd

Sr. No.	Name	Number of Share held	Amount paid – up Rs.	% age of total
1.	Networth Stock Broking Limited	9900	99000	99%
2.	Manish Ajmera jointly with Networth Stock Broking Ltd	100	1000	01%
	TOTAL.....	10000	1,00,000	100.00

Board of Directors

Name	DIN No	Date of Appointment
Nishikant Bhargav Sawant	06931508	23/07/2014
Randhir Singh Sisodiya	05285441	24/05/2012
Jayshree Babulal Ghodadra	06909047	27/06/2014

Audited Financial Information of Networth Insurance Broking Pvt. Ltd

Particulars	FY 2014	FY 2013	FY 2012
Equity Share Capital	1,00,000	1,00,000	1,00,000
Reserves & Surplus	(43,212)	(24,094)	(7,094)
Revenue	0	0	0
Profit / (Loss) after tax	(19,118)	(17,000)	(7,094)

5. **Networth Financial Services Limited (Cin No. U65990MH2004PLC147970)** was incorporated as on 12th August 2004 under Companies Act, 1956.

Main Objects: To carry on the business of finance company, money market operations, mutual fund services, margin trading and margin funding in cash and derivative market, broking of financial instruments, lending and borrowing against securities, bills discounting and rediscounting, lease and hire purchase services, commercial paper to receive funds, deposits and investments from public, agencies, financial institutions, trusts, societies and corporate bodies, grant advances and loans, to conduct advisory services related to cash management , project financing.

Registered Office: 901/902, 9th Floor, Atlanta Centre, Opp Udyog Bhavan, Sonawala Lane, Goregaon East, Mumbai – 400063, Maharashtra.

Shareholding of Networth Financial Services Limited

Sr. No.	Name of the Shareholder	No. of Shares	% of holding
1	Networth Stock Broking Limited	949400	45.32
2	Shyam Basic Infrastructural Projects Pvt. Limited	992500	47.37
3	Suresh P. Jain	57700	2.75
4	Kanta Jain	100	0.01
5	Sathyan Rajan	100	0.01
6	Raj Bhandari	100	0.01
7	Satish Pasari	100	0.01
8	OM Procurements and Projects Limited	95000	4.52
	TOTAL	2095000	100

Board of Directors

Name	DIN No	Date of Appointment
Suresh Pukhraj Jain	00048463	24/12/2009
Randhir Singh Sisodiya	05285441	24/05/2012
Jayshree Babulal Ghodadra	06909047	27/06/2014

Audited Financial Information of Networth Financial Services Limited

Particulars	FY 2014	FY 2013	FY 2012
Equity Share Capital	2,09,50,000	2,09,50,000	2,09,50,000
Reserves & Surplus	(13,89,472)	(15,02,791)	(18,06,307)
Revenue	1,97,171	3,70,387	82
Profit / (Loss) after tax	1,13,319	3,03,516	(15,535)

SECTION VI – RELATED PARTY TRANSACTIONS

Transaction with related party as identified by the management in accordance with Accounting Standard 18 “Related party disclosures” issued by The Institute of Chartered Accountants of India, are as follows:

I. List of Related Parties

List if related parties:

Name of the Related Party	Nature of Relationship
Networth Stock Broking Limited	Holding Company (Promoter)

II. Details of Transactions with Related party:

Networth Stock Broking Limited

For the Year ended 31st March, 2014

Name of the Related party	Nature of Relationship	Amount	Nature of transaction
Networth Stock Broking Limited	Holding Company	Rs. 60,00,000	Professional services Income
		Rs. 16,22,500	Advisory Service Fees Paid (Amortised in C/Y 1/5 portion of Rs.324500/-)
Randhir Singh Sisodiya	Managing Director	9,48,145	Directors Remuneration

For the Year ended 31st March, 2013-

Name of the Related party	Nature of Relationship	Amount	Nature of transaction
Networth Stock Broking Limited	Holding Company	42,00,000	Professional services Income
		1,69,041	Payable as creditors

For the Year ended 31st March, 2012

Name of the Related party	Nature of Relationship	Amount	Nature of transaction
Networth Stock Broking Limited	Holding company	1,00,00,000/-	Professional services Income
		44,86,237	Common Infrastructure Charges paid
		24,57,214/-	Payable as Creditors
		15,00,000/-	Loan taken

SECTION VII: OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Group Companies and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Group Companies.

I. CASES FILED BY OUR COMPANY

Civil Cases

There are no civil proceedings filed by our Company.

Criminal Cases

There are no criminal proceedings filed by our Company.

II. CASES FILED AGAINST OUR COMPANY

Civil proceedings

There are no civil proceedings filed against our Company.

Criminal Proceedings

There are no criminal proceedings filed against our Company.

III. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY

NIL

IV. LITIGATIONS INVOLVING OUR PROMOTER

(i) Proceedings of Civil nature

(a) Litigation matters filed by Promoter against its Clients -

Sr. No	Party name	Amount	Particulars	Status
1	Mukesh Konde - RTS Power	23,978,021	Suit filed in Bombay High Court by NSBL for fraud in the scrip of RTS power.	Waiting for SEBI to pass final order in the scrip of power to be produced before the High Court
2	S Ramasamy	1,034,898	Sec 34 In Bombay High Court By NSBL Challenging The Arbitration Award Against NSBL	Hearing Awaited
3	Umapathi S	582,949	Sec 34 In Bombay High Court By NSBL Challenging The Arbitration Award Against NSBL	Hearing Awaited
4	Rajalakshmi U	649,805	Sec 34 In Bombay High Court By NSBL Challenging The Arbitration Award Against NSBL	Hearing Awaited
5	Kensington Property Bangalore	4,000,000	Appeal Filed In Bangalore High Court By NSBL	Order passed on 15.06.2013 to pay 10% penalty and Stampduty. Further hearing awaited
6	Kamlesh Suratwala	177905	Execution Of Arbitration Award Filed In Bombay High Court	Hearing Awaited
7	Janish Kamlesh Suratwala	107678	Execution Of Arbitration Award Filed In Bombay High Court	Hearing Awaited
8	Nagrani Madhav Rao Nadella	1,476,506	U/S. 34 Filed In Bombay High Court	Hearing Awaited
9	Employee Of Kakinada For Salary - R Srinivas	71000	Case In Kakinada Labour Court, Andhra Pradesh By Emp	NSBL Filed Appeal With Labour Bench in Kakinada - Hearing Awaited
10	Ajit Alav	100000	U/S. 138 Filed With Borivali Court For Cheque Bounce	Hearing Awaited

(b) Litigation Matters Filed By Clients Against Promoter

Sr. No	Party Name	Amount	Particulars	Status
1	Vikas Pandey	317,374	U/S. 34 In Kanpur Court Filed By Client Challenging Arbitration Award In Favour Of NSBL	Hearing Awaited
2	Vinayak Prasad K	288,367	U/S. 34 In Udupi Court Filed By Client Challenging Arbitration Award In Favour Of NSBL	Hearing Awaited
3	Mannam Mohan Rao	257,620	Challenged U/S 34 - Ongole Court Filed By Client Challenging Arbitration Award In Favour Of NSBL	Hearing Awaited
4	Vinod Kumar	93,618	Challenged U/S 34 - Chennai Court Filed By Client Challenging Arbitration Award In Favour Of NSBL	Hearing Awaited
5	Madhava Rao Nadella	4,543,855	U/S. 34 In Machlipatnam Filed By Client Challenging Arbitration Award in Favour Of NSBL	Hearing On 26.09.2014
6	Koganti Nagendra Kumar	3,395,996	U/S. 34 In Machlipatnam Filed By Client Challenging Arbitration Award in Favour Of NSBL	Hearing On 26.09.2014
7	Nagrani Madhav Rao Nadella	4,195,248	U/S. 34 in Machlipatnam Filed By Client Challenging Arbitration Award in Favour Of NSBL	Hearing On 26.09.2014
8	Padmini K	291,836	U/S. 34 In Udupi Court Filed By Client Challenging Arbitration Award In Favour Of NSBL	Hearing Awaited
9	S Sathyanarayana	201,021	U/S. 34 In Udupi Court Filed By Client Challenging Arbitration Award In Favour Of NSBL	Hearing Awaited
10	Ashok Shetty	147,913	U/S. 34 In Udupi Court Filed By Client Challenging Arbitration Award	Hearing Awaited

			In Favour Of NSBL	
11	Ekta Gupta	1,355,486	District Consumer Forum, Lucknow. Case Filed By Client Challenging Arbitration Award In Favour Of NSBL	Hearing Awaited
12	Golla Ishwara Raju	2,828,000	U/S. 34 Filed By Client In Eluru District Court Challenging Arbitration Award In Favour Of NSBL	Hearing Awaited
13	K Rajamani	369,353	Challenged U/S 34 - Chennai Court Filed By Client Challenging Arbitration Award In Favour Of NSBL	Hearing Awaited
14	Dhiru Kumar - Employee Of Delhi	350000	Employee Filed Petition For Salary With District Court At Delhi Karkodamma Recovery Suit	Hearing Awaited
15	Sanjay Gupta	636370	Client Has Filed Petition In Supreme Court After Losing In Every Court Challenging The Arbitration Award In Favor Of NSBL	Hearing Awaited

(ii) Proceedings of a Criminal nature-

(a) By the promoters

NIL

(iii) Income Tax Dues:

- There are no disputes pending before the authorities in respect of sales tax, Income tax, custom duty, service tax and cess except stated below:

Particulars	Pending at	Demand	Remarks
Income Tax			
A.Y. 2011-12	First Appellate Authority	Rs. 3.43 Lacs	Half of said Demand has been paid
A.Y. 2009-10	First Appellate Authority	Rs. 82.67 Lacs	Demand is for penalty U/s. 271(1) (c) of the Income Tax Act, 1961.

V. LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY

(i) Proceedings of Civil nature

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

(ii) Proceedings of a Criminal nature-

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

VI. LITIGATIONS INVOLVING OUR GROUP COMPANIES

(i) Proceedings of Civil nature

(a) By our Group Companies

Litigation filed by **Ravisha Financial Services Pvt. Ltd (subsidiary of our Promoter Company)**

Sr. No	Party Name	Amount	Particulars	Status
1.	Dahliya Trades Pvt. Ltd	20000000	Cheque Bounce U/s. 138 filed for 2 Crores	Hearing awaited

(b) Against our Group Companies

NIL

(ii) Proceedings of a Criminal nature-

(a) By our Group Companies

NIL

(b) Against our Group Companies

NIL

LIST OF MATERIAL CONTRACTS AND DOCUMENTS

The following contracts and agreements referred to which are or may be deemed to be material have been entered into by or on behalf of the Company:

I. MATERIAL CONTRACTS -

1. Agreement dated 9th January, 2014 entered into between our Company and Sharepro Services (I) Private Limited
2. Tripartite agreement dated 20th March, 2014 entered into between our Company, CDSL and Registrar and Share Transfer Agent of the Company.
3. Tripartite agreement dated 10th April, 2014 entered into between our Company, NSDL and Registrar and Share Transfer Agent of the Company.
4. The Company has entered into global distribution agreement with VCU Data Management Limited dated 29th January, 2014.

II. MATERIAL DOCUMENTS -

1. Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of incorporation dated 29th June, 2007 issued to our Company in the name of Networth SoftTech Limited, by the Registrar of Companies, Mumbai & Certificate of Commencement of Business dated 20th August, 2007 issued to our Company by the Registrar of Companies, Mumbai.
3. Resolution passed by the Board of directors of our Company at Meeting held on 21st July, 2014 appointing Mr. Kanu Varu as Managing Director of the Company.
4. Resolution passed at the meeting of the Board of Directors held on 17th September, 2014 constituting various Committees of the Board.
5. Audited Annual Reports including audited Balance Sheets and Profit & Loss Accounts of the Company for the year ended 31st March, 2012 and 31st March, 2013 and audited Balance Sheets and Profit & Loss Accounts of the Company for the year ended 31st March, 2014.

SECTION VIII
DECLARATION

We, undersigned, hereby certify that, all the relevant provisions of the Companies Act, 1956/2013, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, applicable, established under section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 1956/2013, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations issued, as the case may be. We further certify that all the statements in this Information Memorandum are true and correct.

SIGNED BY ALL THE DIRECTORS

Mr. Kanu Varu

Managing Director

Ms. Jayshree Ghodadra

Director

Mr. Surendrakumar Jaiswal

Director

Mr. Suresh Angadi

Director

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Vidhi Shah

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr. Prasad Kakaye

Date: _____

Place: _____