



IDEAL SYSTEMS LIMITED

Our Company was originally incorporated as Ideal Systems Private Limited on November 29, 1996 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Ahmedabad Gujarat. Thereafter, our Company was converted from Private Limited to Public Company and a fresh certificate of incorporation consequent upon Conversion from Private Company to Public Company was issued on September 11, 2018 by the Registrar of Companies, Ahmedabad Gujarat. The Corporate Identification Number of our Company is U30007GJ1996PLC031197.

For details of incorporation, change of name and registered office of our Company, please refer to chapter titled “*General Information*” and “*Our History and Certain Other Corporate Matters*” beginning on page 41 and 100 respectively of this Draft Prospectus.

Registered office: 4th Floor H N House (Nidhi Complex) Near Under Bridge Stadium Five Roads Navrangpura, Ahmedabad -380009, Gujarat, India.

Tel: +91 79 2646 2334; E-mail: ispl@isplindia.com; Website: www.isplindia.com

Company Secretary and Compliance Officer: Ms. Malvika Bhadreshbhai Kapasi; E-Mail: cs@isplindia.com

PROMOTERS OF THE COMPANY : MR. KETAN NALINKANT SHAH AND ASYA INFOSOFT LIMITED	
<p>PUBLIC ISSUE OF 76,26,000 EQUITY SHARES OF FACE VALUE OF RS.10 EACH OF IDEAL SYSTEMS LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 20.00 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. 10.00 PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO RS. 1525.20 LACS/- (“THE ISSUE”), OF WHICH 3,84,000 EQUITY SHARES OF FACE VALUE OF RS.10.00 EACH FOR CASH AT A PRICE OF RS.20.00 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS 10.00 PER EQUITY SHARE AGGREGATING TO RS. 76.80 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 72,42,000 EQUITY SHARES OF FACE VALUE OF RS 10/- EACH AT A PRICE OF RS. 20.00 PER EQUITY SHARE AGGREGATING TO RS. 1448.40 LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 34.99 % AND 33.23% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.</p>	
<p style="text-align: center;">THIS ISSUE IS BEING IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME. For further details see “<i>Terms of the Issue</i>” beginning on page 230 of this Draft Prospectus.</p>	
<p>All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled “Issue Procedure” beginning on page 239 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15 % per annum for the period of delay.</p>	
<p>THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE IS 2 TIMES OF THE FACE VALUE.</p>	
<p>RISK IN RELATION TO THE FIRST ISSUE</p>	
<p>This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is Rs10 per Equity Shares and the Issue price is 2 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on “<i>Basis for Issue Price</i>” beginning on page 69 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.</p>	
<p>GENERAL RISKS</p>	
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 14 of this Draft Prospectus.</p>	
<p>ISSUER’S ABSOLUTE RESPONSIBILITY</p>	
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
<p>LISTING</p>	
<p>The Equity Shares offered through the Draft Prospectus are proposed to be listed on the BSE SME Platform. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. Our Company has received an approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited (“BSE”).</p>	
<p>LEAD MANAGER</p>	<p>REGISTRAR TO THE ISSUE</p>
<div style="text-align: center;">  <p>Finshore <small>FINANCIAL SERVICES GROUP LIMITED</small></p> </div> <p>Finshore Management Services Limited Anandlok, Block – A, 2nd Floor, Room No.207 227, A.J.C. Bose Road, Kolkata – 700 020, West Bengal – India Tel. No.: +91 33-22895101/9920379029 Fax No.: +91 33-22895101 SEBI Registration No: INM000012185 Email: info@finshoregroup.com Website: www.finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar</p>	<div style="text-align: center;">  <p>Aarhi Consultant Private Limited</p> </div> <p>1-2-285, Domalguda, Hyderabad, Telangana, India Tel: +91 40 27638111/27634445 Facsimile :+91 40 27632184 Website: www.aarthiconsultants.com Email: info@arthiconsultants.com / bhaskar@arthiconsultants.com Investor Grievance Email: info@arthiconsultants.com Contact Person: Mr. G. Bhaskara Murthy SEBI Registration No: INR000004058</p>
<p>ISSUE PROGRAMME</p>	
<p>ISSUE OPENS ON: [●]</p>	<p>ISSUE CLOSES ON:[●]</p>



TABLE OF CONTENTS

PARTICULARS	PAGE NO.
SECTION I : GENERAL	
DEFINITIONS AND ABBREVIATIONS	2
CURRENCY CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY PRESENTATION	11
FORWARD LOOKING STATEMENTS	13
SECTION II : RISK FACTORS	
RISK FACTORS	14
SECTION III : INTRODUCTION	
SUMMARY OF INDUSTRY	28
SUMMARY OF OUR BUSINESS	31
SUMMARY OF FINANCIAL INFORMATION	34
THE ISSUE	40
GENERAL INFORMATION	41
CAPITAL STRUCTURE	47
SECTION IV : PARTICULARS OF THE ISSUE	
OBJECTS OF THE ISSUE	62
BASIC TERMS OF THE ISSUE	67
BASIS FOR ISSUE PRICE	69
STATEMENT OF POSSIBLE TAX BENEFITS	71
SECTION V : ABOUT THE COMPANY AND THE INDUSTRY	
INDUSTRY OVERVIEW	73
OUR BUSINESS	83
KEY INDUSTRY REGULATIONS AND POLICIES	95
OUR HISTORY AND CERTAIN CORPORATE MATTERS	100
OUR MANAGEMENT	103
OUR PROMOTERS AND PROMOTER GROUP	117
GROUP ENTITIES OF OUR COMPANY	124
RELATED PARTY TRANSACTIONS	125
DIVIDEND POLICY	127
SECTION VI : FINANCIAL INFORMATION	
FINANCIAL STATEMENTS AS RESTATED	128
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	199
FINANCIAL INDEBTEDNESS	203
SECTION VII : LEGAL AND OTHER INFORMATION	
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	207
GOVERNMENT AND OTHER APPROVALS	213
OTHER REGULATORY AND STATUTORY DISCLOSURES	216
SECTION VIII : ISSUE INFORMATION	
TERMS OF THE ISSUE	230
ISSUE STRUCTURE	236
ISSUE PROCEDURE	239
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	258
SECTION IX : MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	
MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	259
SECTION X : OTHER INFORMATION	
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	289
DECLARATION	291



SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviation which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto.

As on the date of this Draft Prospectus, our Company does not have subsidiary. Consequently, all references to “Our Company”, “we”, “our”, “us” or “Ideal System Limited”, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 4th Floor H N House (Nidhi Complex), Nr Under Bridge Stadium, Five Roads, Navrangpura, Ahmedabad, Gujarat- 380009, India.

The words and expression used in this Draft Prospectus, but not defined herein, shall have the same meaning ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder as the case may be. Notwithstanding the foregoing, the terms not defined but used in the sections titled “*Statement of Possible Tax Benefits*”; “*Financial Statements as Restated*”; “*Outstanding Litigation and Material Developments*”; and “*Main Provisions of Articles of Association*” beginning on pages 71, 128, 207 and 259 respectively, shall have the meanings ascribed to such terms in these respective sections.

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

COMPANY RELATED TERMS

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended from time to time.
Audit Committee	Audit Committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013
Auditor/ Statutory Auditor	The statutory auditors of our Company, being D. V. Shah & Associates, Chartered Accountants having their office at 81/1, Govt. “H” Colony, Nr. Nehrunagar Circle, Ambawadi, Ahmedabad-380015
Banker to our Company	Bank of Baroda, as disclosed in the section titled “ <i>General Information</i> ” beginning on page 41 of this Draft Prospectus
Board of Director(s)/the Board/our Board/ Director(s)	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page 103 of this Draft Prospectus.
Equity Shares	The Equity Shares of our Company of face value of `10 each, fully paid-up, unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company.
Group Companies/ Entities	The companies included under the definition of “Group Companies” under the SEBI (ICDR) Regulations and identified by the Company in its Materiality Policy. For further details, please refer to section titled “ <i>Group Entities of Our Company</i> ” beginning on page 124 of this Draft Prospectus.
Key Managerial Personnel/ KMP	The key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act, 2013 disclosed in section titled “ <i>Our Management</i> ” beginning on page 103 of this Draft Prospectus.
Materiality Policy	The policy on determination of materiality, by our Board on August 01, 2018, in accordance with the requirements Regulation 30 of the SEBI (ICDR) Regulations.
Memorandum/ Memorandum of Association/ MoA	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as disclosed in “ <i>Our Management</i> ” on page 103 of this Draft Prospectus.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being H. K. Shah & Co., Chartered Accountants having office at Ahmedabad, Gujarat, India.



Term	Description
Promoters	The promoters of our Company being: 1. Asya Infosoft Limited 2. Mr. Ketan Nalinkant Shah For further details, please refer to section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 117 of this Draft Prospectus.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as disclosed under section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 117 of this Draft Prospectus.
Registered Office	4 th Floor H N House (Nidhi Complex), Nr. Under Bridge Stadium, Five Roads, Navrangpura, Ahmedabad, Gujarat- 380009, India.
Restated Financial Statement	Audited Financial Statements for the Financial Years ended March 31, 2018; 2017; 2016; 2015 and 2014, as restated in accordance with SEBI (ICDR) Regulations, comprises of (i) Financial Information as per Restated Summary Financial Statements and (ii) Other Financial Information.
RoC/ Registrar of Companies	Registrar of Companies, Ahmedabad, RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India
Stakeholders’ Relationship Committee	Stakeholder’s relationship committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Companies Act, 2013

ISSUE RELATED TERMS

Terms	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot/ Allotment/ Allotted of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of the Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.
Allottee (s)	A successful Applicant (s) to whom the Equity Shares are being/ have been issued /allotted.
Applicant	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form. Pursuant to SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, with effect from January 01, 2016 all applicants participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of this Draft Prospectus.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by an Applicant to make an application authorizing the relevant SCSB to block the application amount in the ASBA Account maintained with the SCSB. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.
ASBA Account	Account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant.
ASBA Applicant(s)	Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this Draft Prospectus.



Terms	Description
ASBA Application Location (s)/ Specified Cities	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on www.sebi.gov.in/pmd/scsb.pdf
Banker to the Issue	Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Public Issue Account will be opened, in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, as described in the section titled “ <i>Issue Procedure</i> ” - Basis of Allotment beginning on page 239 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of the BSE on the following link:- http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
BSE SME	The SME platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter X-B of the SEBI ICDR Regulations
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collection Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms.
Compliance Officer	The Company Secretary of our Company, i.e. Ms. Malvika Bhadreshbhai Kapasi
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depository/ Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated Date	On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
Designated Intermediaries /Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker	In our case, [●]
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com



Terms	Description
Designated SCBS Branches	Such branches of the SCBSs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	SME Platform of BSE Limited
Draft Prospectus	The Draft Prospectus dated September 28, 2018 issued in accordance with Section 32 of the Companies Act, 2013.
DP	Depository Participant
DP ID	Depository Participant's Identity number.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Draft Prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the Circular (CIR/CFD/DIL/12/2013) dated 23rd October, 2013, notified by SEBI read with SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.
Issue/ Public Issue/ Issue Size/ Issue/ Initial Public Issue/ IPO	Public issue of 76,26,000 Equity Shares of face value of `10.00 each of our Company for cash at a price of Rs. 20.00 per Equity Share (including a share premium of Rs.10.00 per Equity Share) aggregating to Rs.1525.20 Lakhs by our Company, in term of this Draft Prospectus.
Issue Agreement	The Issue Agreement dated September 24, 2018 between our Company and Lead Manager.
Issue Closing Date	The date on which Issue Closes for Subscription
Issue Opening Date	The date on which Issue Opens for Subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application.
Issue Price	The price at which Equity Shares are being issued by our Company being `20.00 per Equity Share.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer to section titled " Objects of the Issue " beginning on page 62 of this Draft Prospectus.
Lead Manager/ LM	Lead Manager to the Issue, in this case being Finshore Management Services Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE Limited.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, [●], Market Maker to the Issue.
Market Making Agreement	The Market Making Agreement dated [●] between our Company and Market Maker
Market Maker Reservation Portion	The reserved portion of 3,84,000 Equity Shares of face value of Rs.10.00 each fully paid for cash at an Issue Price of Rs. 20.00 each per Equity Shares aggregating Rs.76.80 Lakhs for the Market Maker to the Issue.
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to 72,42,000 Equity Shares of face value Rs. 10.00 each for cash at an Issue price of Rs. 20.00 per Equity Share (the "Issue Price"), including a share premium of Re 20.00 per equity share aggregating up to Rs. 1448.40 Lakhs.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
Non Institutional Investors or NIIs	All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ` 2 Lakh (but not including NRIs other than Eligible NRIs)



Terms	Description
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue, [●] under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar / Registrar to this Issue /RTI	Registrar to the Issue being Aarhi Consultants Private Limited
Registrar Agreement	The agreement dated September 24, 2018 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors/RIIs	Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ` 2 Lakh in this Issue.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Specified Locations	Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended thereto.
SME Exchange	The SME Platform of the BSE i.e. BSE SME
SME Platform	The SME Platform of BSE i.e. BSE SME for listing equity shares Issued under Chapter XB of the SEBI ICDR Regulation which was approved by SEBI as an SME Exchange.
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] entered into between our Company and the Underwriters.
Working Days	All days, other than second and fourth Saturday of a month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Issue Closing Date and the listing of the Equity Shares on the SME Exchange of BSE,



Terms	Description
	“Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Conventional and General Terms:

Term	Description
ACIT	Assistant Commissioner of Income Tax
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981
Category I Foreign Portfolio Investor(s)	FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations
Category II Foreign Portfolio Investor(s)	FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	Consolidation FDI Policy dated August 28, 2017 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CST Act	Central Sales Tax Act, 1956
FCNR Account	Foreign currency non-resident account
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal Year/ F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
Hazardous Waste Rules, 2008	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008
Income Tax Act or the I.T. Act	The Income Tax Act, 1961
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016 as amended.
LLP Act	The Limited Liability Partnership Act, 2008
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Draft Prospectus
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA
RBI Act	Reserve Bank of India Act, 1934



Term	Description
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI (LODR) Regulations/ SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	U.S. Securities Act of 1933, as amended
State Government	The government of a state of the Union of India
STT	Securities Transaction Tax
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations
Water Act, 1974	Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(zn) of SEBI Regulations

Technical and Industry related terms

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

General terms/ Abbreviations:

Term	Description
` or Rs. or Rupees or INR	Indian Rupees
AGM	Annual General Meeting
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India



Term	Description
A.Y.	Assessment year
BC	Before Christ
BPLR	Bank Prime Lending Rate
BSE	BSE Limited
CARO	Companies (Auditor's Report) Order, 2003
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CIN	Corporate Identity Number
CLB	Company Law Board
Cr.PC	Criminal Procedure Code, 1973, as amended
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DP ID	Depository participant's identification
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
ESOS	Employee Stock Option Scheme
FDI	Foreign direct investment
FIPB	Foreign Investment Promotion Board
GAAR	General anti avoidance rules
GBP	Great Britain Pound
GIR	General index register
GoI/ Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
ISO	International Organization for Standardization
IT Act	The Income Tax Act, 1961, as amended
IT Rules	The Income Tax Rules, 1962, as amended
JV	Joint Venture
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
N.A.	Not Applicable
NAV/ Net Asset Value	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NoC	No Objection Certificate
No.	Number
NR	Non-resident
NSDL	National Securities Depository Limited.
NTA	Net Tangible Assets
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit before tax
PCB	Pollution Control Board
P/E Ratio	Price per earnings ratio
Pvt.	Private
RBI	Reserve Bank of India
RoC	Registrar of Companies
RONW	Return on Net Worth
RTGS	Real time gross settlement
SCN	Show Cause Notice



Term	Description
SCSB	Self-certified syndicate bank
UIN	Unique identification number
US	United States
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
YoY	Year on Year



CURRENCY CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in this Draft Prospectus are to the Republic of India, all references to the “U.S.”, the “USA” or the “United States” are to the United States of America, together with its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

Financial Data

Unless stated otherwise, the financial information in this Draft Prospectus are extracted from the restated Financial Statements of our Company (i) as of and for F.Y. ended March 31, 2014; 2015; 2016; 2017 and 2018 prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI (ICDR) Regulations.

In this Draft Prospectus, all figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places.

In accordance with India’s roadmap for “Convergence of its existing standards with IFRS”, referred to as “IND (AS)”, as announced by the GoI, Ministry of Corporate Affairs (the “MCA”) through press note dated January 22, 2010, read with the Companies (Indian Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015, effective April 1, 2015, our annual and interim financial statements must be reported under IND (AS) for accounting periods commencing on or after April 1, 2016. Therefore, our annual and interim financial statements reported after April 1, 2016 will not be directly comparable to the Restated Financial Statements.

Pursuant to a SEBI circular dated March 31, 2016, with respect to financial information to be included in any offer document filed with SEBI on or after April 1, 2016 and until March 31, 2017, we have chosen to report our Restated Financial Statements, for the preceding five years, included in this Draft Prospectus under Indian GAAP. Further, for risk in relation to IND (AS), see “*Risk Factor*” and “*Financial Statement as Restated*” for the preceding five years, on standalone, included in this Draft Prospectus, has been prepared under IGAAP, which varies in certain respects from other accounting principles, including IND (AS), which may be material to investors’ assessment of our results of operations and financial condition on page 14 and 128 respectively. In order to comply with requirements applicable to public companies in India, subsequent to our Equity Shares being listed on the Stock Exchanges, we will be required to prepare our annual and interim financial statements under IND (AS), as applicable. IND (AS) is different in many respects from Indian GAAP under which our audited financial statements for statutory reporting purposes under the Companies Act have been prepared until Fiscal 2016. The preparation and presentation of our financial statements after listing may be not be comparable with, or may be substantially different from, the preparation and presentation of the Restated Financial Statement is being disclosed in this Draft Prospectus.

There are significant differences between Indian GAAP, IND (AS) and UK GAAP. Accordingly, the degree to which the Restated Financial Statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, IND (AS), the Companies Act and the SEBI ICDR Regulations, on the Restated Financial Statements presented in this Draft Prospectus should accordingly be limited. Although we have included a summary of qualitative and quantitative differences between Indian GAAP and IND (AS), our financial statements reported under IND (AS) in future accounting periods may not be directly comparable with our financial statements historically prepared in accordance with Indian GAAP, including disclosed in this Draft Prospectus. You should consult your own advisors regarding such differences and their impact on our financial data.

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Prospectus, including in the sections titled “*Risk Factors*”; “*Our Business*”; “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 14, 83 and 199 respectively, have been calculated on the basis of the restated audited financial statements of our Company included in this Draft Prospectus.



Currency and Units of Presentation

All references to “Rupees”, “Rs.”, “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All reference to “£” or “GBP” are to Great Britain Pound, the official currency of the United Kingdom.

Our Company has presented certain numerical information in this Draft Prospectus in “Lakh” units. One lakh represents 1,00,000. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been derived from RBI and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, we believe that the industry and market data used in this Draft Prospectus is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “**Risk Factors**” beginning on page 14 of this Draft Prospectus. Accordingly, investment decisions should not be based on such information.

In accordance with the SEBI (ICDR) Regulations, we have included in the section titled “**Basis for Issue Price**” beginning on page 69 of this Draft Prospectus, information pertaining to the peer group entities of our Company. Such information has been derived from publicly available data of the peer group companies.

Exchange Rates

This Draft Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

Source: www.rbi.org.in

Currency	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014*
US Dollar (USD)	65.0441	64.8386	66.3329	62.5908	60.0998

Source: www.rbi.org.in

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

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

Please note that the above exchange rates have been provided for indicative purposes only and the amounts reflected in our Restated Financial Statements may not have been converted using any of the above mentioned exchange rates.



FORWARD LOOKING STATEMENTS

The Company has included statements in this Draft Prospectus which contain words or phrases such as “may”, “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “potential” and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the section titled “**Risk Factors**”; “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**”; “**Industry Overview**”; and “**Our Business**” beginning on pages 14, 199, 73 and 83 respectively of this Draft Prospectus.

The forward-looking statements contained in this Draft Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- General economic and business conditions in India and other countries;
- Ability to retain the customers is heavily dependent upon various factors including our reputation and our ability to maintain a high level of product quality including our satisfactory performance for the customers;
- We operate in a significantly fragmented and competitive market in each of our business segments;
- Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks 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 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; and

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Lead Manager, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being issued in this Issue, by the Stock Exchanges. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Draft Prospectus until the Equity Shares are allotted to the investors.



SECTION II: RISK FACTORS

RISK FACTORS

Any investment in equity securities involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with section titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 83 and 199 respectively, as well as the other financial and statistical information contained in this Draft Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Draft Prospectus.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act 2013 and SEBI (ICDR) Regulations. The risk factors have been determined based on their materiality. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future.

- 1. There are outstanding legal proceedings involving our Company and Group Company. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company and Group Company are currently involved in certain litigation. Any adverse decisions in such proceedings may impact financial condition of the Company.

Also, there is no assurance that in future, our Promoters, our Directors or Group Company may not face legal proceedings; any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Directors and Group Company see the chapter titled “*Outstanding Litigations and Material Developments*” on page [●] of this Draft Prospectus. A summary of the pending civil and other proceedings involving the Company is provided below:

Category	Type of cases	Number of Outstanding Matters	Aggregate Amount involved (Rs in Lakhs)
A. Cases filed against our Company			
Taxation	Income Tax Proceedings	Three	Not ascertainable
	Tax Deduction at Source proceedings	Five	14.70
B. Cases filed against our Group Company			
Taxation	Income Tax Proceedings	One	Not ascertainable
	Tax Deduction at Source proceedings	Two	0.075



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

2. *Our ability to provide services, acquire desired programming and our talent might be adversely affected by competition and costs.*

The success of our operations would depend largely upon the quality of our services, retention of existing clients complemented with new clients would depend upon our ability to provide services at a reasonable price. We may face competition in providing services at a competitive price that may adversely affect our financials and business condition.

3. *Changes in technology may render our current technologies obsolete or require us to make substantial new investments to seek to remain competitive.*

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

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

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

5. *Our business is dependent on certain principal customers and the loss of, or a significant reduction in purchases by, such customers could adversely affect our business, financial condition, results of operations and future prospects.*

A majority of our revenue is derived from our top ten domestic and overseas customers. Since we are largely dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers or a significant reduction in demand from such customers could have a material adverse effect on our business, financial condition, results of operations and future prospects.

Further, since our business is presently concentrated among a few significant customers, we may also experience reduction in cash flows and liquidity if we lose one or more of our top customers.

Additionally, the loss of any key customer may significantly affect our revenues and we may have difficulty securing comparable levels of business from other customers or may not be able to secure new customers in a timely manner or at all to offset any loss of revenue from the loss of any of our key customers, including our largest customer or even our top ten customers. We may also not be able to easily re-allocate our resources and assets in a timely or efficient manner. Additionally, in order to retain some of our significant customers we may also be required to offer terms to them which may place restraints on our resources and reduce our profitability.

The occurrence of any of the above may have a significant adverse impact on our business, financial condition, results of operations and future prospects.

6. *Some of our corporate records including forms like Form 5 and Form 2 filed with the Registrar of Companies are not traceable.*

Our Company is unable to trace certain corporate and other documents in relation to our Company including forms filed with Registrar of Companies prior to the year 2006. Due to change in methods of records keeping on account of technological advancement and computerization, over the years, certain forms filed with ROC prior to the year 2006, like Form 5 and Form 2 could not be traced by our Company. Further online filing of Roc Documents was initiated in the year 2006 and all forms prior to the said year were physically filed. Some of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal and are therefore not available with us. Also, we are unable to trace forms in records of the Company prior to the year 2006. As such



under the circumstances elaborated above, our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the Company are correct.

7. *The sector in which we operate is capital intensive in nature. We require substantial financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.*

Contracts in the sector in which we operate typically are capital intensive and require us to obtain financing through various means. Whether we can obtain such financing on acceptable terms is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor's confidence, our levels of existing indebtedness and other factors beyond our control. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources; we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company and could adversely impact our Equity Share price. Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. We cannot assure you that we v be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

8. *We are penetrated in the Gujarat, UP, Rajasthan, Telangana regions only and in future if penetration to other regions is subject to risks associated with expansion into new geographic markets. Any inability to expand into new geographic markets or penetrate existing markets may adversely affect our growth and future prospects.*

Expansion into new geographic regions, including different states in India, subjects us to various challenges, including those relating to our lack of familiarity with the culture, client preferences, regulations and economic conditions of these new regions and markets. Language barriers, difficulties in staffing and managing such operations coupled with, the lack of brand recognition and reputation in such regions may also affect our ability to expand into newer geographic regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- ✓ compliance with a wide range of local laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- ✓ uncertainties with new local business partners;
- ✓ inability to understand client preferences and local trends in such new regions;
- ✓ exposure to expropriation or other government actions; and
- ✓ Political, economic and social instability.

Further, we may also face significant competition from other players who may already be established in such markets and may have a significant market share. We may not be able to compete with such players if we are unable to offer competitive products at better price points which appeal to clients in such markets. By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

We continuously seek to increase penetration through enhancing our customer base. We cannot assure you that we will be able to successfully identify our new potential clients.

Further, we may not be able to continue to penetrate existing markets due to any of the reasons specified above. Any inability to enter into new geographic markets or penetrate existing markets could adversely affect our growth, future prospects, financial condition and results of operation.



- 9. We require certain approvals in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.**

We require several statutory and regulatory approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said approvals would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name. There can be no assurance that the relevant authorities will issue any of such approvals in the time-frame anticipated by us or at all.

- 10. Our growth will depend on our ability to develop our brand and failure to do so may have a negative impact on our ability to compete in the finance industry.**

We believe that continuous brand building is necessary for achieving widespread recognition of our services. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide high quality services. Brand promotion activities may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we fail to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.

- 11. Our Contingent Liability and Commitments could affect our financial position.**

We have Contingent Liability of Rs. 218.61 lakhs which could affect our financial position. Details of such contingent Liabilities and commitments are as follows:-


Particulars	Amount (in Lacs)
Income Tax demands / Notices before CIT Appeals/TDS	124.00
Bank Guarantees/Corporate Guarantees	94.61
TOTAL	218.61

- 12. Our business is partly dependent on factors affecting consumer spending that are out of our control.**

Our business is sensitive to many factors that influence consumer spending. Other factors include general economic conditions, consumer confidence in future economic and political conditions, fears of economic slowdown, consumer debt, disposable consumer income, conditions in the housing market, consumer perceptions of personal well-being and security, fuel prices, inclement weather, interest rates, sales tax rate increase, inflation and war or fears of war.

- 13. Our customer contracts/arrangements can typically be terminated without cause and with little or no notice or penalty, which could negatively impact our revenues and profitability.**

Most of our customer arrangements/contracts with private parties can be terminated with or without cause, usually at short notice and without termination related penalties. Additionally, most of our agreements with customers are without any commitment to future work. Our business is dependent on the decisions and actions of our customers, and there are number of factors relating to our customers that are outside our control and which might result in the termination of a project or the loss of a customer. Any of these factors could adversely affect our revenues and profitability.

- 14. Our Company's logo  is not registered as on date of Draft Prospectus. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.**

As on date of this Draft Prospectus, no application is made under the Trademarks Act, 1999 for registration of our logo and hence, we do not enjoy the statutory protections accorded to a registered logo. Further, there can be no assurance that third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. We may not be able to detect any unauthorized use or our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the



scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed.

15. We have experienced negative cash flows in previous years. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions

Our cash flow from our operating activities, investing and financing activities have been negative in the past. Our cash flows from investing and financing activities were negative in the financial year ended 2016 and 2017.

Details of our cash flows for the last three years:

(In ` Lakhs)

Particulars	For the year ended March 31 st		
	2018	2017	2016
Net Cash from Investing Activities	197.82	(85.58)	(1059.18)
Net Cash used in Financing Activities	32.15	280.14	1264.67

Any net negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

16. Our business is manpower intensive. Our business may be adversely affected if we are unable to obtain employees on contract or at commercially attractive costs.

Our success depends on our ability to attract, hire, train and retain skilled personnel. Our business is manpower intensive and our continued growth depends in part on our ability to recruit and retain suitable staff. As we expand our network, we will need experienced manpower that has knowledge of the industry. Typically, the industry suffers from high attrition rates. There can be no assurance that attrition rates for our employees, will not increase. Further, an increase in costs to retain such employees could also adversely affect our financial condition. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our business in our existing markets or new markets that we are entering into. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business and financial condition and results of operations may be adversely affected. Additionally, we have seen an increasing trend in manpower costs in India, which has had a direct impact on our employee costs and consequently, on our margins. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase.

However, there can be no assurance that we would not be subjected to any such monetary penalties in the future. Any such penalties may adversely impact our reputation, profitability, financial position, cash flows, results of operations and future prospectus.

17. Our success largely depends upon the knowledge and experience of our Promoters and our Key Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Key Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, results of operations and financial condition.

We depend on the management skills and guidance of our Promoters for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Management Personnel. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Key Management Personnel are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected.

There is significant competition for management and other skilled personnel in the ITES industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives



and other prerequisites to such skilled personnel. Further, in the event we are not able to attract and retain talented employees, as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected. For further details, see “*Our Management*” on page 103.

18. Our inability to identify and understand evolving industry trends, technological advancements, client preferences and develop new services to meet our client’s demands may adversely affect our business.

The Global Market is characterized by technological advancements, introduction of innovative services, price fluctuations and intense competition. Changes regulatory or industry requirements or in competitive technologies may render certain of our services less attractive or obsolete. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced services to create new or address yet unidentified needs among our current and potential clients in a timely manner, is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological knowledge, through our own research and development or through technical assistance agreements that will allow us to continue to develop our service portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make significant investments in research and development, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected.

Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our services will not become obsolete. Further, if we do not continue to distinguish our services through distinctive, technologically advanced features and design, as well as continue to build and strengthen our brand recognition, we could lose market share and our revenues and earnings could decline. We are also subject to the risks generally associated with lack of market acceptance and failure of services to operate properly due to reasons beyond our control.

We need to identify and understand the key market trends and evolving needs proactively and on a timely basis. As a result, we may incur, and have in the past incurred, capital expenditures for development of new services to meet the demands of the markets. This could have a material adverse effect on our business, financial condition, results of operations and future prospects.

19. If we are unable to maintain and enhance our brand, the sales of our services may suffer which would have a material adverse effect on our financial condition and results of operations.

We believe that the brand we have developed has significantly contributed to the success of our business. We also believe that maintaining and enhancing the brand, are critical to maintaining and expanding our global client base. Maintaining and enhancing our brand and sub-brands may require us to make substantial investments in areas such as research and development, marketing and brand building activities, and these investments may not be successful. There can be no assurance that clients will continue to be receptive to our sub-brands.

In particular, as we expand into new geographic markets, there can be no assurance that clients in these markets will accept our brand and sub-brands. We anticipate that, as our business expands into new markets and as the market becomes increasingly competitive, maintaining and enhancing our brand and sub-brands may become increasingly difficult and expensive. Our brand may also be adversely affected if our public image or reputation is tarnished by any negative publicity. Maintaining and enhancing our brand and sub-brands will depend largely on our ability to anticipate, gauge and respond in a timely manner to changing industry trends and client demands and preferences, and to continue to provide high quality products, which we may not do successfully. If we are unable to maintain or enhance our brand image, our results of operations may suffer and our business may be harmed.

20. Our Company has in the past entered into related party transactions and may continue to do so in the future.

We have entered into and may in the course of our business continue to enter into transactions specified in the Restated Financial Statements contained in this Draft Prospectus with related parties that include



our Promoters, Directors and Group Companies. For further details in relation to our related party transactions, please see the section entitled “**Related Party Transactions**” on page 125. While we believe that all such transactions have been conducted on an arm’s length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms. Furthermore, it is likely that we may enter into related party transactions in the future.

There can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our financial condition and results of operations.

21. We may incur significant advertising and marketing costs to promote our brand in the future.

We believe that our future success will be partially influenced by further development of our brand our ability to communicate effectively about our services to various target consumers through consistent and focused marketing and advertising initiatives. Insufficient investments in marketing and brand building could also erode or impede the development of our brand. Accordingly, we may be required to invest significant resources towards marketing and brand building exercises, specifically with respect to new geographic markets where we intend to penetrate. Further, we cannot assure you that our marketing and advertising activities will be successful and achieve their objectives or we may not be required to make further investments than anticipated. This could have an adverse effect on our prospects and growth.

22. Conflicts of interest may arise out of common business object shared by our company, our Promoters’ and of our Promoters’ Group.

There are conflicts of interest as on date out of common business object shared by our company, our Promoters’ and of our Promoters’ Group as on date.

23. Our Promoters together with our Promoter Group will continue to retain majority shareholding in our company subsequent to the issue, which will allow them to exercise significant influence over our company.

The majority of our issued and outstanding Equity Shares are currently beneficially owned by our Promoters’ and our Promoters’ Group which is 1,17,91,320 Equity Shares is 83.21%. Upon completion of the Issue, our Promoters’ and Promoters’ Group will own and continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders’ approval, including the composition of our Board, the adoption of amendments to our memorandum and articles of association, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters’ and Promoters’ Group as our Company’s controlling shareholders could conflict with our Company’s interests or the interests of its other shareholders.

24. In addition to our existing indebtedness for our existing operations, we may require further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/or additional indebtedness.

As on March 31, 2018 our Company’s total indebtedness is Rs. 448.80 Lakhs in relation to our equity and turnover. In addition to the indebtedness for our existing operations, we may require further indebtedness during the course of business. There can be no guarantee that we will be able to obtain the new facilities at favourable terms or at all. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to further borrow at competitive rates. Also we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements which may lead to an adverse effect on the cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements which may be entered into with our lenders could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties, enforcement of security and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations.



25. *If we fail to manage growth effectively it could have an adverse effect on our results of operations*

We believe our expansion plans will place significant demands on our managerial, operational and financial resources. Growth in our business would require us to expand, train and manage our employee base. The expansion of our Company could also cause problems related to our operational and financial systems and controls and could cause us to encounter working capital issues, as we will need increased liquidity to finance the purchase of new office(s) and the hiring of additional employees. If we fail to manage our growth effectively it may lead to operational and financial inefficiencies that would have a negative effect on our results of operations

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

Our Company has not paid any dividends in the past. The declaration of dividends in the future will be recommended by our Board of Directors, at its sole discretion, and will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will pay dividends in the future.

27. *Insurance coverage not obtained by us against unforeseen losses.*

Our Company has not maintained insurance coverage in accordance with industry standards. In case of any unforeseen damage or loss suffered by us will affect the business adversely and could adversely affect our financial condition, cash flows and results of operations.

28. *Insufficient cash flows to meet required working capital requirements could adversely affect our Company's operations and financial results*

The business of our Company requires a significant amount of working capital to finance the payments for manpower, day to day expenses, etc. The working capital requirements of our Company are also affected by the credit lines that our Company extends to its customers, in line with industry practice. Moreover, our Company may need to raise term loans and working capital loans in the future to meet its capital expenditure and to satisfy its working capital requirements. There can be no assurance that our Company will continue to be successful in arranging adequate working capital and term loans for its existing or expanded operations on acceptable terms or at all, which could adversely affect our Company's operations and financial results.

29. *Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.*

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors and other expenses. We have been sanctioned a working capital limit of Rs. 5 lakhs and the other working capital requirements have been met through the internal sources only. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

30. *Our Promoters, Directors and Key Management Personnel of our Company may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.*

Our Promoters are interested in us to the extent of any transactions entered into or their shareholding and dividend entitlement in us. Our Directors are also interested to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by us with any other company or firm in which they are directors or partners or in their individual capacity. For further details, please see the sections entitled, "***Our Promoters and Promoter Group***", "***Our Management***" and "***Related Party Transactions***" on pages 117, 103 and 125 respectively.

31. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.*



Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or another independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, please see the section titled “*Objects of the Issue*” beginning on page 62 of this Draft Prospectus.

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

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

33. *Third party industry and statistical data in this Draft Prospectus may be incomplete, incorrect or unreliable.*

Neither the LM nor the Company have independently verified the data obtained from the official and industry publications and other sources referred in this Draft Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India, its economy and our industry in this Draft Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information, please refer to section titled “*Industry Overview*” beginning on page 73 of this Draft Prospectus.

34. *We may not be able to successfully implement our business strategies.*

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

35. *We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.*

The market for our services is competitive because of both the organized and unorganized players. Players in this industry generally compete on key attributes such as skilled man power, pricing and timely delivery and quality of services. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their services at highly competitive prices which may not be matched by us and consequently affect our volume of revenue and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.



EXTERNAL RISKS

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

37. *The Government of India had recently implemented certain currency demonetization measures, which may affect the Indian economy and our business, results of operations, financial condition and prospects.*

On November 8, 2016, the RBI and the Ministry of Finance of the GoI withdrew the legal tender status of ₹ 500 and ₹ 1,000 currency notes pursuant to notification dated November 8, 2016. The short-term impact of these developments has been, among other things, a decrease in liquidity of cash in India. There is uncertainty on the medium- and long-term impact of this action. The medium- and long-term effects of demonetization on the Indian economy and our business are uncertain and we cannot accurately predict its effect on our business, results of operations, financial condition and prospects.

38. *Any changes in the regulatory framework could adversely affect our operations and growth prospects*

Our Company is subject to various regulations and policies. For details see section titled “**Key Industry Regulations and Policies**” beginning on page 95 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

39. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance*

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price And liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

40. *A decrease in economic growth in India could cause our business to suffer.*

Our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the ITES industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

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

Prior to this Issue, there has been no public market for our Equity Shares. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our



performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

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

The Issue Price of our Equity Shares is on a fixed price method. This price is based on numerous factors (For further information, please refer chapter titled “*Basis for Issue Price*” beginning on page 69 of this Draft Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

43. *There are restrictions on daily / weekly / monthly 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*

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, 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 circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do 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 limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time

44. *Civil unrest, acts of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India’s economy and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally.

45. *Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares to decline.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies situated in other countries, including India. For instance, the financial crisis in the United States and European countries in the recent past have lead to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and



stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in Draft Prospectus/ Prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

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

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

48. *The nationalized goods and services tax (GST) regimes implemented by the Government of India have impact on our operations*

The Government of India has from July 01, 2017 has implemented the Goods and Service Tax a comprehensive national goods and service tax (GST) regime that combines taxes and levies by the Central and State Governments into a unified rate structure. Since we are mainly engaged in Export activities, the same is not affecting us significantly.

49. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and ITES industry contained in the Draft Prospectus*

While facts and other statistics in the Draft Prospectus relating to India, the Indian economy and the ITeS industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “*Industry Overview*” beginning on page 73 of the Draft Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere

50. *Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares*

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities.



Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the SME Platform of BSE could adversely affect the trading price of the Equity Shares.

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

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

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

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

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

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

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

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

PROMINENT NOTES TO RISK FACTORS

1. Public Issue of 76,26,000 equity shares of face value Rs.10 each of Ideal Systems Limited for cash at a price of 20/- per Equity Share (the "**Issue Price**"), including a share premium of Rs. 10 per equity share aggregating up to Rs. 1525.20 Lakhs.
2. The Net Asset Value per Equity Share of Rs. 10 of our Company is Rs. 19.11. For further details, please refer to section titled "**Financial Statements as Restated**" beginning on page 128 of this Draft Prospectus.
3. The Net Worth of our Company is Rs. 2630.53 Lakhs. For further details, please refer to the section titled "**Financial Statements as Restated**" beginning on page 128 of this Draft Prospectus.



Ideal Systems Limited

4. For further details, please refer to section titled “**Capital Structure**” beginning on page 47 of this Draft Prospectus.
5. The name of the company has been changed from Ideal Systems Private Limited to Ideal Systems Limited on September 11, 2018.
6. There has been no financing arrangement whereby our Directors or any of their respective relatives have financed the purchase by any other person of securities of our Company during the six (6) months preceding the date of this Draft Prospectus.
7. The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions please refer to the Financial Statements.
8. Except as stated under the section titled “**Capital Structure**” beginning on page 47 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
9. Except as disclosed in the sections titled “**Capital Structure**”, “**Our Promoters and Promoter Group**”, “**Group Entities of our Company**” and “**Our Management**” beginning on pages 47, 117, 124 and 103 respectively of this Draft Prospectus, none of our Promoters, Directors or Key Managerial Personnel has any interest in our Company.



SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Information Technology Industry

Introduction to Information Technology/Information Technology Enabled Services (IT-ITES)

India is the world's largest sourcing destination for the Information Technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The IT industry has more than 16,000 firms; of which 1,000+ are large firms with ~ 50 delivery locations in India. The industry employs about 10 million workforce. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centers in India.

The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science. The Indian IT and ITES industry is divided into four major segments – IT services, Business Process Management (BPM), Software Products and Engineering services, and Hardware.

The IT-BPM sector which is currently valued at US\$ 143 billion is expected to grow at a Compound Annual Growth Rate (CAGR) of 8.3 per cent year-on-year to US\$ 143 billion for 2015-16. The sector is expected to contribute 9.5 per cent of India's Gross Domestic Product (GDP) and more than 45 per cent in total services export in 2015-16. (Source: indiainbusiness.nic.in) (Source: www.makeinindia.com/sector/it-and-bpm)

Market Size

The Indian IT sector is expected to grow at a rate of 12-14 per cent for FY2016-17 in constant currency terms. The sector is also expected triple its current annual revenue to reach US\$ 350 billion by FY 2025. India ranks third among global start-up ecosystems with more than 4,200 start-ups. India's internet economy is expected to touch Rs 10 trillion (US\$ 146.72 billion) by 2018, accounting for 5 per cent of the country's GDP. India's internet user base reached over 400 million by May 2016, the third largest in the world, while the number of social media users grew to 143 million by April 2015 and smart phones grew to 160 million.

Public cloud services revenue in India is expected to reach US\$ 1.26 billion in 2016, growing by 30.4 per cent year-on-year (y-o-y). The public cloud market alone in the country was estimated to treble to US\$ 1.9 billion by 2018 from US\$ 638 million in 2014. Increased penetration of internet (including in rural areas) and rapid emergence of e-commerce are the main drivers for continued growth of data centre co-location and hosting market in India. The Indian Healthcare Information Technology (IT) market is valued at US\$ 1 billion currently and is expected to grow 1.5 times by 2020. India's business to business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2020 whereas the business to consumer (B2C) e-commerce market is expected to reach US\$ 102 billion by 2020. (Source: <http://indiainbusiness.nic.in/>)

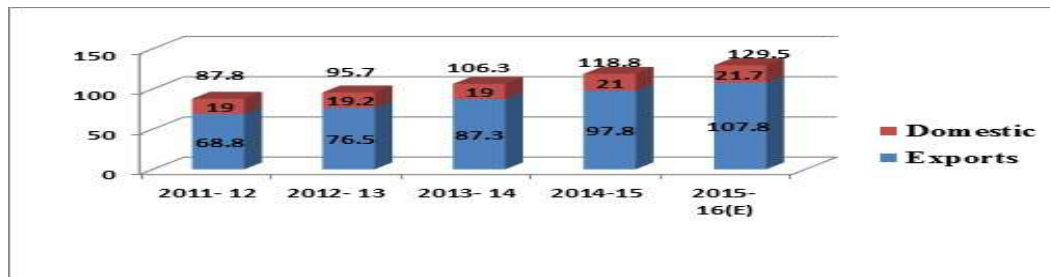
Revenue Generated by India IT-ITES

As shown in figure, Indian IT-ITES industry revenue is estimated at USD 129.5 billion in FY2015-16 as compare to USD 118.8 billion in FY2014-15, registering an increase of around 9.0%. The overall industry's growth of this sector over the last five years is given in the table below.

IT – ITeS Industry Revenue Trends (in USD billion)						
Year/ Description	2011- 12	2012- 13	2013- 14	2014- 15	2015- 16(E)	CAGR % (2011-16)
Exports	68.8	76.5	87.3	97.8	107.8	12.81

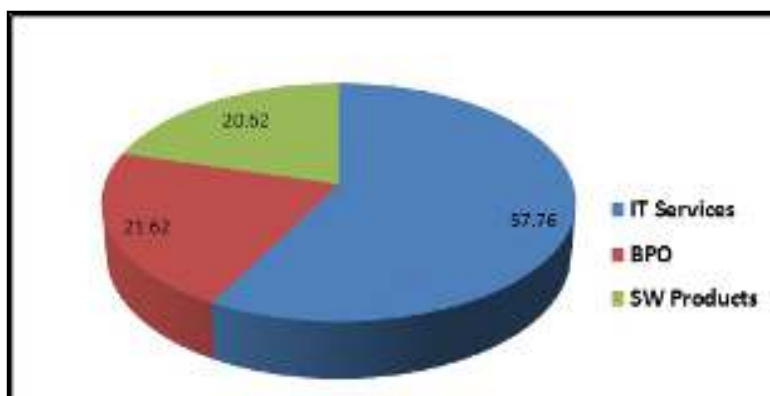
IT – ITeS Industry Revenue Trends (in USD billion)						
Year/ Description	2011- 12	2012- 13	2013- 14	2014- 15	2015- 16(E)	CAGR % (2011-16)
Domestic	19.0	19.2	19.0	21.0	21.7	4.64
Total	87.8	95.7	106.3	118.8	129.5	11.16

Source: www.meity.gov.in; E: Estimate



The Segment wise Export Revenue Trends in IT & ITES Industry is as follows:

Year/ Segment	2011- 12	2012- 13	2013- 14	2014-15	2015-16(E)	CAGR (2011-16)	%
IT Service	39.9	42.9	49.2	55.3	61.0	12.73	
ITES-BPO	15.9	18.3	20.4	22.5	24.4	11.43	
Software Products, Engineering Services, R&D	13.0	15.3	17.7	20.0	22.4	14.46	
Total IT-ITES	68.8	76.5	87.3	97.8	107.8	12.81	



IT-BPO Revenue Share

The IT Services exports accounts for the largest share of 57.76 %; BPO exports contributing 21.62 % followed by ER&D and software products that together account for 20.62%. (Source: www.meity.gov.in)

Investments

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 32.23 billion between April 2000 to June 2018, according to data released by the Department of Industrial Policy and Promotion (DIPP).



Ideal Systems Limited

Leading Indian IT firms like Infosys, Wipro, TCS and Tech Mahindra, are diversifying their offerings and showcasing leading ideas in blockchain, artificial intelligence to clients using innovation hubs, research and development centres, in order to create differentiated offerings.

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

- Nasscom has launched an online platform which is aimed at up-skilling over 2 million technology professionals and skilling another 2 million potential employees and students.
- Revenue growth in the BFSI vertical stood at 10.3 per cent y-o-y in the first quarter of 2018-19.
- As of March 2018, there were over 1,140 GICs operating out of India.
- Private Equity (PE)/Venture Capital (VC) investments in India's IT & ITES sector reached US\$ 7.6 billion during April-December 2017.

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 21.02 billion between April 2000 and March 2016, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Indian start-ups are estimated to have raised US\$ 1.4 billion across 307 deals in quarter ending March 2016.

(Source: <http://indiaibusiness.nic.in/>)

Road Ahead

India is the topmost off shoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Export revenue of the industry is expected to grow 7-9 per cent year-on-year to US\$ 135-137 billion in FY19. The industry is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue.

Exchange Rate Used: INR 1 = US\$ 0.0149 as of Q1 FY19

(Source: Media Reports, Press Information Bureau (PIB), Department of Industrial Policy and Promotion (DIPP) statistics, Department of Information and Technology, Union Budget 2017-18



SUMMARY OF OUR BUSINESS

Business Overview

We are provider of complete IT Solutions and believe that we are a modest I.T. related service provider based in India offering a wide range of Software services focused on Customer satisfaction. We offer the knowledge engine that powers our main range of software which is also capable of powering e-commerce web site solutions, providing data-driven web sites that use the same business rules as your main systems.

We specialize in providing pioneering mega 'e-Governance' Projects of Govt. of India, Govt. of Gujarat, Govt. of Rajasthan, Govt. of U.P along with USA, Belgium. We provide services software migration, multimedia design & development, application development & maintenance, web designing, digitization of engineering drawings, and search engine optimization. We also offer strategy and technology implementation services to companies wanting to optimize or re-engineer their existing business using N-tier architecture and latest technological tools for software development, web designing and web development for the global image building for your company with multimedia animation.

We offer network solutions and resource management services to give complete new look and best performing company look to the clients. We cater to industry sector like Healthcare, Insurance, Pharmaceutical and chemical, Fertilizer Corporate, e-Governance, Diamond Trade- ERP for diamond /jewellery Trade etc have big few we served in recent years and as a result of persistence, it has come out as a symbol of quality and assurance in Software development and execution.

We predominantly operate in the major cities of India and overseas. We believe that we are a fast growing company focused on E-Governance Project Management, Education Industries, Healthcare Management, Insurance Industries, Office Automation and Customized ERP etc, with growth in consolidated revenue from operations. Additionally we are also one of the esteemed vendors of Government. We are serving wide range of Industries by offering customized ERP solutions for the firm looking for best solution for their complex processes and MIS functions. We have also achieved expertise in Office Automation and E-Governance solution for the Public Administration Local Bodies of Governments. Today's highly connected global business world is utilizing information on the strong foundations of high-performance software and timely information is essential for critical decision-making and determines success in the business world. We focus on Knowledge management, Enterprise integration, and Technological migration to the web-base or best-suitable platform.

As of August 31, 2018, our work force consisted of 22 people as full time employees. We adhere to international best practices standards and are committed in developing our services where quality assurance is systematic process of checking to see whether our service being developed is meeting specified requirements. We have in house capabilities to ensure high quality standards. We have received an ISO 9001:2015 by Director, AQC Middle East FZE vide number 18IQBY28 for the Software & Web Development, BPO/KPO Activities (Scanning, Data Entry, Digitization & conversion into Document Management System, Data Processing) Content Creation, E-Governance Application, Technical Support & Training Service Provider, Manpower Recruitment & Supply Service and IT Enable Services & Resource Provider and ISO 27001:2013 certification for our quality management system by Director, AQC Middle East FZE vide number 18IQBY28 for Software & Web Development, BPO/KPO Activities (Scanning, Data Entry, Digitization & conversion into Document Management System, Data Processing) Content Creation, E-Governance Application, Technical Support & Training Service Provider, Manpower Recruitment & Supply Service and IT Enable Services & Resource Provider and also awarded Certification of Registration for CMMI Maturity Level 3 by UK Certification & Inspection Limited. We have a separate department devoted to quality assurance and believe that can adhere to best practices of the clients associated with us. We believe and practice the motto that the software should be cost effective at a same time it should give maximum performance, scalability and efficiency. We utilize the power of latest software tools and IT by developing feasible and easy to use customer oriented software that can satisfy their needs.

We have seen growth under the vision, leadership and guidance of our promoter Mr. Ketan Shah. His knowledge and experience in our industry has enabled us to grow and manage our business in an efficient manner. For further details of our promoters, please refer chapter titled "Promoters and Promoter group" on page [●] of this Draft Prospectus.

Our restated total income for the Fiscal ended March 31, 2016, 2017 and 2018 was Rs. 3183.20 Lakhs, Rs. 3930.32 Lakhs and Rs. 3414.30 Lakhs. Our restated profit after tax for the Fiscal ended March 31, 2016, 2017 and 2018 was Rs. 72.09 Lakhs, Rs. 41.80 Lakhs and Rs. 92.47 Lakhs.



Some of our ongoing/completed prestigious government projects:

- ❖ RUIFDCO – e-Nagar Mitra Project Govt. of Rajasthan
- ❖ TSTSP Project – e-Gram Vishwa Gram Project, Panchayat Department, Govt. of Gujarat, consortium partner with CMC/ TCS Ltd.
- ❖ Inspector General of Registrar, Govt of Gujarat, - Data Entry, Scanning and registration of Govt. documents.
- ❖ Gujarat State Fertilizer & Chemicals Ltd. (G S F C) - ERP System
- ❖ 38 Different Nagar Palika Bodies of Government of Gujarat through all India Institute of Local Self Government under E-Governance Mega Project of computerization of Government of Gujarat
- ❖ Narmada Chematur Petrochemicals Ltd. Bharuch – Data migration work
- ❖ Oil & Natural Gas Corporation Ltd. (ONGC) - Well Logging System
- ❖ Commissioner of Higher Education, Govt Of Gujarat, through iNDEXTb a GOVT. OF GUJARAT Enterprise – MIS System for different part of education department.
- ❖ Centre for Entrepreneur Development, Govt. of Gujarat, through iNDEXTb a GOVT. OF GUJARAT Enterprise – Web Based MIS system for Registry and Training centers.
- ❖ iNDEXTb a GOVT. OF GUJARAT Enterprise – Soil Health Card preparation work & MSME Census Project, e-Governance project.
- ❖ Tourism Corporation Of Gujarat Ltd.(Gujarat Tourism) – Transportation System
- ❖ Ghaziabad Development Authority, Ghaziabad, U. P. : Scanning and digitization of property records and development of Document Management System
- ❖ Kanpur Development Authority, U. P. : Scanning and digitization of property records and development of Document Management System
- ❖ Meeruth Development Authority, U. P. : Scanning and digitization of property records and development of Document Management System

Our Competitive Strengths

We believe the following are our competitive strength:

- ***Rich experience of our Promoters and senior management team***

Our Promoter Mr. Ketan Shah has been involved in the business and have an extensive experience in the business and industry. Our management has more than 20 years of experience and executed various projects in government, corporate having strong credentials and have domain expertise. Under their leadership, we have achieved phenomenal business growth and business transformation since our incorporation. Our Promoter's strong relationships with our suppliers and other industry participants have been instrumental in implementing our growth strategies. Our Promoter is actively involved in our operations and bring to our Company his vision and leadership which we believe has been instrumental in sustaining our business operations. Our management team also includes professionals with extensive experience in the industry as well as finance and marketing. We have domain expertise in E-governance, healthcare, digitization and education. We believe that we have highly skilled management and team to run our Company in very effective way for all our future endeavor.



➤ ***Brand value***

We believe that our reputation as to offer the most reasonable price for our work. We offer with our authentic product range and customer support. We are receiving good response from our customers to offer high quality within their budget. We offer end to end customer service and support. We also believe that our established brand and reputation will enable us to obtain more clientle list, pursuant to which we may build our brand

➤ ***Wide Product Range***

Our Company is provider of complete IT solutions and is focused on E-Governance Project Management, Education Industries, Healthcare Management, Insurance Industries, Office Automation and Customized ERP etc, with growth in consolidated revenue from operations. Additionally we are also one of the esteemed vendors of Government. We are serving wide range of Industries by offering customized ERP solutions for the firm looking for best solution for their complex processes and MIS functions. We have also achieved expertise in Office Automation and E-Governance solution for the Public Administration Local Bodies of Governments. We believe that our Product portfolio is such that which cater lot of segments and which can be easily scalable in India and abroad market.

➤ ***Focus on Quality Standards***

Our Company believes in providing quality products to its customers and for that follows Indian as well as International quality standards for our products. Our Company is certified for quality Management System with ISO 9001:2015 and ISO 27001:2013 certification for our quality management system and also awarded CMM-level III. We have a separate department devoted to quality assurance with highly equipped standard room carrying all measuring equipments with latest technology. This has benefited our process significantly in terms of reducing wastage and enabling us to demand a premium for our products. The quality checks ensure that no defective material reached the customer and ensure reduced process rejection and reduced machine down time. We believe that our quality products have earned us a goodwill from our customers, which has resulted in customer retention and order repetition also new addition to the customer base.



SUMMARY OF FINANCIAL INFORMATION

Ideal Systems Limited (Previously known as Ideal Systems Private Limited)
Restated Standalone Summary Statement of Assets and Liabilities

Annexure I - A
(Rs. In Lacs)

Particulars	Note No.	As at 31st March, 2018 (Ind AS)	As at 31st March, 2017 (Ind AS)	As at 31st March, 2016 (Proforma Ind AS)
ASSETS:				
Non -Current Assets				
Property, Plant & Equipment	2	176.39	120.35	146.47
Capital Work in Progress		-	-	-
Goodwill		-	-	-
Other Intangible Assets	2	246.52	104.65	-
Financial Assets :				
Investments	3	-	175.00	150.00
Loans	4	449.99	716.95	515.04
Other Financial Assets	5	266.47	231.94	132.37
Other Non-current Assets	6	3.50	3.50	335.50
		1,142.87	1,352.39	1,279.38
Current Assets				
Inventories	7	498.35	206.78	260.20
Financial Assets:				
Trade Receivables	8	2,844.71	1,393.31	1,306.67
Cash and Cash Equivalents	9	204.98	183.69	52.88
Loans	10	188.87	44.06	30.58
Other Current Assets	11	129.17	153.07	225.61
		3,866.08	1,980.91	1,875.94
TOTAL		5,008.95	3,333.30	3,155.32
EQUITY AND LIABILITIES:				
Equity:				
Equity Share Capital	12	206.02	192.54	192.54
Other Equity	13	2,424.51	2,283.39	1,800.73
		2,630.53	2,475.93	1,993.27
Non-Current Liabilities:				
Financial Liabilities:				
Borrowings	14	40.55	49.93	68.77
Other Financial Liabilities	15	-	6.05	96.50
Provisions	16	19.54	27.49	22.79
Deferred Tax Liabilities/ (Assets) (Net)	17	(26.41)	(26.43)	3.44
		33.68	57.04	191.50
Current Liabilities:				
Financial Liabilities:				
Borrowings	18	408.03	405.31	404.85
Trade Payables	19	1793.19	258.40	494.22
Other Financial Liabilities	20	0.08	0.53	0.50
Other Current Liabilities	21	129.46	114.51	50.08
Provisions	22	13.98	21.58	20.90
		2,344.70	800.33	970.55
TOTAL		5,008.95	3,333.30	3,155.32

Ideal Systems Limited (Previously known as Ideal Systems Private Limited)
Restated Standalone Summary Statement of Profit & Loss
Annexure II - A
(Rs. In Lacs)

Particulars	Note No.	For the year ended 31 March, 2018 (Ind AS)	For the year ended 31 March, 2017 (Ind AS)	For the year ended 31 March, 2016 (Proforma Ind AS)
Revenue from operations	23	3,338.52	3,826.38	3,137.77
Other income	24	75.78	103.94	45.43
Total revenue		3,414.30	3,930.32	3,183.20
Expenses				
(a) Cost of materials consumed		-	-	-
(b) Purchases of stock-in-trade		1,410.23	3,043.20	2,355.42
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(291.57)	53.42	(135.63)
(e) Employee benefits expense	26	138.57	145.85	172.92
(f) Finance costs	27	50.17	68.54	58.28
(g) Depreciation , amortisation and impairment expenses	2	49.86	68.08	59.04
(h) Other expenses	28	1,919.80	474.99	548.88
Total expenses		3,277.06	3,854.08	3,058.91
Profit / (Loss) before tax		137.24	76.24	124.29
Tax expense:				
(a) Current tax expense for current year		31.21	57.80	47.23
(b) Deferred tax	17	13.56	(23.36)	(0.22)
(c) MAT Caredit		-	-	5.19
Profit / (Loss) for the year		92.47	41.80	72.09
Other Comprehensive Income(OCI):				
Re-measurement losses on post employment defined benefit plans		11.64	1.38	3.01
Income Tax effect		(3.21)	(0.38)	(1.00)
Total		8.43	1.00	2.01
Net loss/(gain) on Fair Value through OCI(FVTOCI) on equity securities				
Other Comprehensive income/(loss) for the year (net of tax)		(60.80)	(25.00)	-
Tax Effect on the above		16.75	6.89	-
Total		(44.05)	(18.11)	-
Total Comprehensive income for the year (net of tax)		56.85	24.69	74.10
Earnings per Share (EPS) for Profit for the period	Anne xue - VIII - A			
* Adjusted EPS Worked out after considering Bonus Issue				
Adjusted* Basic (Rs.)		0.67	0.30	0.53
Adjusted* Diluted (Rs.)		0.67	0.30	0.53

**Ideal Systems Limited (Previously known as Ideal Systems Private Limited)
Restated Standalone Summary Statement of Cash Flows**
**Annexure III - A
(Rs. In Lacs)**

Particulars	For the Year Ended 31 March, 2018	For the Year Ended 31 March, 2017	For the Year Ended 31 March, 2016
A. Cash flow from operating activities			
Net Profit / (Loss) before tax	137.24	76.24	124.29
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	49.86	68.08	59.04
Provision for Gratuity	3.86	6.20	5.66
Finance costs	50.17	68.54	58.29
TDS Receivable Write back	-	3.58	-
Interest income	(73.95)	(80.51)	(43.69)
Operating profit / (loss) before working capital changes	167.18	142.13	203.59
<i>Changes in working capital:</i>			
<i>Adjustments for (increase) / decrease in operating assets and liabilities:</i>			
Inventories	(291.56)	53.41	(135.63)
Trade Receivables	(1,451.40)	(86.64)	292.81
Other Assets	(167.38)	10.97	(33.85)
Trade payables	1,534.78	(235.80)	(429.27)
Other Liabilities	9.43	65.48	(130.25)
<i>Net Changes in working capital:</i>	(366.13)	(192.58)	(436.19)
Cash generated from operations	(198.95)	(50.45)	(232.60)
Net income tax (paid) / refunds	(9.74)	(13.30)	(74.58)
Net cash flow from / (used in) operating activities (A)	(208.69)	(63.75)	(307.18)
B. Cash flow from investing activities			
Capital expenditure on property, plant and equipment, including capital advances, if any	(1.25)	(41.96)	(36.30)
Capital expenditure on intangible assets under Development	(246.52)	(104.65)	-
Long Term Loans & Advances realized	191.64	30.52	(916.57)
Interest received	73.95	80.51	43.69
Investment	180.00	(50.00)	(150.00)
Net cash flow from / (used in) investing activities (B)	197.82	(85.58)	(1,059.18)
C. Cash flow from financing activities			
Proceed received against unpaid calls	13.48	-	101.72
Repayment/proceeds of non-current borrowings (Net)	(15.43)	(109.29)	(52.92)
Increase in Securities Premium	84.27	457.97	1,274.16
Finance Costs	(50.17)	(68.54)	(58.29)
Net cash flow from / (used in) financing activities (C)	32.15	280.14	1,264.67
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	21.28	130.81	(101.69)
Cash and cash equivalents at the beginning of the year	183.70	52.88	154.57
Cash and cash equivalents at the end of the year	204.98	183.69	52.88

**Ideal Systems Limited (Previously known as Ideal Systems Limited)
Restated Standalone Summary Statement of Assets and Liabilities**
**Annexure I - B
(Rs. In Lacs)**

Particulars	Note No.	Restated	
		As at 31st March 2015 IGAAP	As at 31st March 2014 IGAAP
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	1	90.82	90.82
Reserves and surplus	2	452.47	410.12
		543.29	500.94
Share application money pending allotment		-	-
Non-current liabilities			
Long-term borrowings	3	218.19	239.21
Deferred tax liabilities (Net)	4	2.67	(14.88)
Other long term liabilities		-	-
Long-term provisions	5	19.54	15.96
Current liabilities			
Short-term borrowings	6	409.55	404.29
Trade payables	7	923.48	1,609.37
Other current liabilities	8	206.16	101.43
Short-term provisions	9	13.67	16.23
		1,552.86	2,131.32
TOTAL		2,336.55	2,872.55
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		169.24	56.87
Deferred tax assets (net)	4	-	-
Long-term loans and advances	11	66.33	68.32
Other Non-current assets		-	-
		235.57	125.19
Current assets			
Inventories	12	124.57	45.33
Trade receivables	13	1,599.48	2,303.62
Cash and cash equivalents	14	154.57	184.00
Short-term loans and advances	15	180.22	132.27
Other current assets	16	42.14	82.14
		2,100.98	2,747.36
TOTAL		2,336.55	2,872.55

**Ideal Systems Limited (Previously known as Ideal Systems Limited)
Restated Standalone Summary Statement of Profit and Loss**
**Annexure II - B
(Rs. In Lacs)**

		31st March 2015	31st March 2014
		IGAAP	IGAAP
Revenue			
Revenue from operations	17	3,065.60	2,978.17
Less: Excise duty		-	-
Net Sales		3,065.60	2,978.17
Other income	18	25.82	10.72
Total revenue		3,091.42	2,988.89
Expenses			
Purchase of stock-in-trade		2,398.21	2,423.73
Changes in inventories	19	(79.25)	(20.65)
Employee benefit expenses	20	146.48	146.26
Finance costs	21	65.33	65.44
Depreciation and amortization expenses	10	3.79	24.31
Other expenses	22	448.45	241.58
Total expenses		2,983.01	2,880.67
Profit before exceptional, extraordinary and prior period items and tax		108.41	108.22
Exceptional items		-	-
Profit before extraordinary and prior period items and tax		108.41	108.22
Extraordinary items		-	-
Prior period item		-	-
Profit before tax		108.41	108.22
Tax expenses		-	-
Current tax		21.69	36.59
Deferred tax		17.55	(1.11)
MAT Credit Entitlement		(5.19)	-
Tax Expenses		34.05	35.48
Profit(Loss) After Tax for the period		74.36	72.74
Adjusted Earnings per share (EPS)* for Profit for the Period (Basic & Diluted)	Annexure VIII_B	0.58	0.57

**Ideal Systems Limited (Previously known as Ideal Systems Limited)
Restated Standalone Statement of Cashflow**
**Annexure III - B
(Rs. In Lacs)**

Particulars	For the year ended March 31,	
	2,015	2,014
Cash Flow From Operating Activities:		
Net Profit before tax as per Profit And Loss A/c	108.41	108.22
Adjustments for:		
Depreciation & Amortization Expense	3.79	24.31
Interest Income	25.81	10.70
Finance Cost	65.31	65.44
Operating Profit Before Working Capital Changes	151.70	187.27
Adjusted for (Increase)/ Decrease in:		
(Increase) /Decrease in Trade Receivables	704.14	(934.30)
(Increase) /Decrease in Loans & Advances	(3.52)	9.02
(Increase) /Decrease in Inventories	(79.24)	(20.65)
(Increase) /Decrease in Other Current Assets	46.00	(15.20)
(Increase) /Decrease in Other Non Current Assets	(6.00)	-
Increase / (Decrease) in Trade Payables	(685.87)	870.85
Increase/ (Decrease) in Other Current Liabilities	104.73	(64.20)
Increase/ (Decrease) Long Term Term Provision	3.59	(2.19)
Increase/ (Decrease) Short Term Provision	(2.56)	1.74
Cash Generated From Operations	232.97	32.34
Appropriation of Profit		
Income Tax Paid (Including TDS)	61.11	65.47
Net Cash Flow from/(used in) Operating Activities: (A)	171.86	(33.12)
Cash Flow From Investing Activities:		
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(148.18)	(0.26)
Interest Received	25.81	10.70
Net (Increase)/Decrease in Long Term Loans & Advances	2.18	(62.46)
Proceeds From Sale or Purchase of Investments		
Net Cash Flow from/(used in) Investing Activities: (B)	-120	-52
Cash Flow from Financing Activities:		
Proceeds From issue of Share Capital	-	-
Net Increase/(Decrease) in Share Application Money Pending Allotment		
Net Increase/(Decrease) in Long Term Borrowings	(21.03)	176.21
Net Increase/(Decrease) in Short Term Borrowings	5.27	(4.02)
Net Increase/(Decrease) in Other Long Term Liabilities	-	-
Interest and Financial Charges Paid	65.31	65.44
Net Cash Flow from/(used in) Financing Activities (C)	81	107
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(29.40)	21.61
Cash & Cash Equivalents As At Beginning of the Year	183.97	162.36
Cash & Cash Equivalents As At End of the Year	154.57	183.97



THE ISSUE

The following is the summary of the Issue.

Issue of Equity Shares	Upto 76,26,000 Equity Shares of `10 each fully paid-up of our Company for cash at a price of ` 20.00 each Equity Share aggregating to ` 1525.20 Lakh.
Out of which:	
Market Maker Reservation Portion	Upto 3,84,000 Equity Shares of `10 each fully paid-up of our Company for cash at a price of ` 20.00 each Equity Share aggregating to ` 76.80 Lakh.
Net Issue to the Public	Upto 72,42,000 Equity Shares of `10 each fully paid-up of our Company for cash at a price of ` 20.00 each Equity Share aggregating to ` 1448.40 Lakh.
Out of which:	
Allocation to Retail Individual Investors for upto `2.00 lakh	36,24,000 Equity Shares of `10 each fully paid-up of our Company for cash at a price of ` 20.00 each Equity Share aggregating to ` 724.80 Lakh.
Allocation to other investors for above `2.00 lakh	36,18,000 Equity Shares of `10 each fully paid-up of our Company for cash at a price of ` 20.00 each Equity Share aggregating to ` 723.60 Lakh.
Pre and Post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,41,67,920 Equity Shares of `10 each
Equity Shares outstanding after the Issue*	2,17,93,920 Equity Shares of `10 each
Objects of the Issue	Please refer to the section titled “ Objects of the Issue ” beginning on page 62 of this Draft Prospectus.

*Assuming Full Allotment

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per regulation 43, sub regulation (4) of SEBI (ICDR) Regulations, the allocation in the net issue to public category shall be made as follow:

- (a) *Minimum 50% to the Retail individual investors; and*
- (b) *remaining to:*
 - i. *individual applicants other than retail individual investors; and*
 - ii. *other investors including corporate bodies or institutions; irrespective of the number of specified securities applied for;*
- (c) *the unsubscribed portion is either of the categories specified in clauses (a) and (b) may be allocated to applicants in the other category.*

*For further details, please refer to section titled “**Issue Information**” beginning on page 230 of this Draft Prospectus.*

The present Issue of 76,26,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated August 01, 2018 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting of the members held on August 27, 2018.

Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.



GENERAL INFORMATION

Our Company was originally incorporated as Ideal Systems Private Limited on November 29, 1996 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Thereafter, our Company was converted from Private Limited to Public Company and a fresh certificate of incorporation consequent upon Conversion from Private Company to Public Company was issued on September 11, 2018 by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U30007GJ1996PLC031197.

For further details, please refer “*Our History and Certain Corporate Matters*” and “*Our Business*” on page no. 100 and 83 of this Draft Prospectus.

Brief Company and Issue Information	
Registered Office	Ideal Systems Limited 4 th Floor, H.N. House, Nidhi Complex, Nr. Stadium Road, Navarangpura, Ahmedabad-380009, Gujarat Tel. No: +91 79 2646 2334 Facsimile: +91 79 2646 2335 Website: www.isplindia.com Email: ispl@isplindia.com
Date of Incorporation	November 29, 1996
Company Registration Number	031197
Corporate Identification Number	U30007GJ1996PLC031197
Company Category	Company Limited by Shares
Company Sub Category	Indian Non-Government Company
Address of Registrar of Companies	Registrar of Companies, Ahmedabad RoC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013
Designated Stock Exchange	BSE Limited (SME Platform of BSE) P.J. Towers, Dalal Street, Mumbai – 400 001
Company Secretary and Compliance Officer	Ms. Malvika Bhadreshbhai Kapasi Ideal Systems Limited 4 th Floor, H.N. House, Nidhi Complex, Nr. Stadium Road, Navarangpura, Ahmedabad-380009, Gujarat Tel. No: +91 79 2646 2334 Facsimile: +91 79 2646 2335 Website: www.isplindia.com Email: cs@isplindia.com
Chief Financial Officer	Mr. Jimit Ketan Shah Ideal Systems Limited 4 th Floor, H.N. House, Nidhi Complex, Nr. Stadium Road, Navarangpura, Ahmedabad-380009, Gujarat Tel. No: +91 79 2646 2334 Facsimile: +91 79 2646 2335 Website: www.isplindia.com Email: jimit.isplindia@gmail.com

BOARD OF DIRECTORS OF OUR COMPANY

Our Company’s Board comprises of the following Directors:

Name	Designation	Address	DIN
Mr. Ketan Nalinkant Shah	Managing Director	1 Riddhi Siddhi Apt. Mahalaxmi Society, Nr. Mahalaxmi Cross Road, Paldi, Ahmedabad, Gujarat, India	00913411
Mr. Jimit Ketan Shah	Whole Time Director & CFO	1 Riddhi Siddhi Apt. Mahalaxmi Soc, Nr. Mahalaxmi Cross Road, Paldi, Ahmedabad, Gujarat	08043932
Mr. Dhavalbhai Pravinbhai Patel	Non Executive and Independent Director	C-16, Bhavani Society, Nr. Mithikui, Dholka-382225, Ahmedabad, Gujarat, India	07770039
Mr. Safalkumar H. Patel	Non-Executive and Independent Director	Plot No.325/6, Shriyash Society, Sector: 22, Gandhinagar–382022, Gujarat	08107710



Mrs. Kairavi Doshi	Non-Executive, Woman and Independent Director	17/188, Poojan Apartment, Jivraj Road, Jivraj hospital vasna, Ahmedabad-380007, Gujarat	08206886
--------------------	---	---	----------

For further details of the Board of Directors, please refer to the section titled “*Our Management*” beginning on page 103 of this Draft Prospectus.

Note: Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and / or the Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs to whom the Application was submitted (at ASBA Locations) where the ASBA Form was submitted by the ASBA Applicants.

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

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

LEAD MANAGER	LEGAL COUNSEL TO THE ISSUE
Finshore Management Services Limited 2 nd Floor, Block – A, Room No. 207, 227, A.J.C. Bose Road, Kolkata – 700 020, West Bengal, India Tel: +91-33- 2289- 5101 Facsimile: +91-33-2289-5101 Website: www.finshoregroup.com Email: ramakrishna@finshoregroup.com Investor Grievance Email: info@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185	M. V. Kini, Law Firm Kini House, 6/39 Jangpura-B, New Delhi - 110014, India Tel: +91-11-24371038/ 39/ 40/ +91 9899016169 Facsimile: +91-11-24379484 Website: www.mvkini.com Email: raj@mvkini.com Contact Person: Ms. Raj Rani Bhalla
BANKER TO THE COMPANY	REGISTRAR TO THE ISSUE
[●] Tel: [●] Facsimile : [●] Website: [●] Email: [●] Investor Grievance Email: [●] Contact Person: [●] SEBI Registration No: [●]	Aarthi Consultant Private Limited 1-2-285, Domalguda, Hyderabad, Telangana, India Tel: +91 40 27638111/27634445 Facsimile : +91 40 27632184 Website: www.aarthiconsultants.com Email: info@arthiconsultants.com / bhaskar@arthiconsultants.com Investor Grievance Email: aki.ipo@linkintime.co.in Contact Person: Mr. G. Bhaskara Murthy SEBI Registration No: INR000004058
PEER REVIEW AUDITORS*	STATUTORY AUDITORS
H. K. Shah & Co, Chartered Accountants No. 404, 4th Floor, Sarap Building, Opp Navijivan Press, Ashram Road, Ahmedabad, Gujarat 380014 Tel. No.: 079 2754 4995 Email: jmc_ca_knp@yahoo.com Contact Person: Mr. Malav Desai	D. V. Shah & Associates, Chartered Accountants 81/1, Govt. “H” Colony, Nr. Nehrunagar Circle, Ambawadi, Ahmedabad-380015 Tel. No.: 05122333722 Email: jmc_ca_knp@yahoo.com Contact Person: Mr. Dilip V. Shah



BANKER TO THE ISSUE [●] Tel: [●] Facsimile : [●] Website: [●] Email: [●] Investor Grievance Email: [●] Contact Person: [●] SEBI Registration No: [●]	
--	--

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Finshore Management Services Limited is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

SELF CERTIFIED SYNDICATE BANKS (“SCSBs”)

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

BROKERS TO THIS ISSUE

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at BSE Limited at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 as updated from time to time.

REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CREDIT RATING

This being an Issue of Equity Shares, credit rating is not required.

TRUSTEES

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

DEBENTURE TRUSTEES

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

IPO GRADING

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

MONITORING AGENCY

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below `10,000 Lakh. Since the Issue size is only of ` 1525.20 Lakh, our Company has not



appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Issue.

EXPERT OPINION

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

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

Our Company has received consent from the Statutory Auditors of the Company to include their name as an expert in this Draft Prospectus in relation to the (a) Statutory Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits by the Statutory Auditors and such consent has not been withdrawn as on the date of this Draft Prospectus.

UNDERWRITER

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue

Name, Address, Telephone, Facsimile, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten (in Lakh)	% of the total Issue size Underwritten
Finshore Management Services Limited Anandlok, Block-A, 2 nd Floor, Room No. 207, 227 A.J.C. Bose Road, Kolkata-700020, India Tel.: +91-33-22895101 Facsimile: +91-33-22895101 Website: info@finshoregroup.com Email: ramakrishna@finshoregroup.com Investor Grievance Email: info@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185		[●]	
TOTAL		[●]	

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full.

3,84,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended.



DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making for this Issue:

Name	[●]
Address	
Telephone	
Facsimile	
E-mail	
Contact Person	
Market Maker Registration No. (SME Segment of BSE)	

[●], registered with SME segment of BSE will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by the BSE and SEBI in this matter from time to time.

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be ` 1.00 Lakh. However, the investors with holdings of value less than `1 Lakh shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ` 20.00 per share the minimum lot size is 6,000 Equity Shares thus minimum depth of the quote shall be ` 1.00 Lakh until the same, would be revised by BSE.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 5 % of the Equity Shares Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 5 % Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.

On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.

7. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.



8. Our Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving one-month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).
11. In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Corporate Office from 11.00 a.m. to 5.00 p.m. on working days.
12. BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
13. BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
14. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
15. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

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

16. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to 250 crores, the applicable price bands for the first day shall be:
 - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME Exchange.



CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft Prospectus.

Amount (Rs. in Lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	Authorized Share Capital 2,20,00,000 Equity Shares having Face Value of Rs. 10/- each	2200.00	-
B	Issued, Subscribed & Paid-up Share Capital prior to the Issue 1,41,67,920 Equity Shares having Face Value of Rs.10/- each	1416.79	-
C	Present Issue in terms of this Draft Prospectus* 76,26,000 Equity Shares having Face Value of Rs. 10/- each at a Premium of Rs. 10.00 per share	762.60	1525.20
	Which Comprises		
I.	Reservation for Market Maker portion 3,84,000 Equity Shares of Rs.10/- each at a premium of Rs. 10.00 per Equity Share	38.40	76.80
II.	Net Issue to the Public 72,42,000 Equity Shares of Rs. 10/- each at a premium of Rs. 10.00 per Equity Share	724.20	1448.40
	of which		
	36,24,000 Equity Shares of Rs. 10/- each at a premium of Rs. 10.00 per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2.00 Lacs	362.40	724.80
	36,18,000 Equity Shares of Rs. 10/- each at a premium of Rs. 10.00 per Equity Share will be available for allocation for allotment to Other Investors of above Rs. 2.00 Lacs	361.80	723.60
D	Paid up Equity capital after the Issue 2,17,93,920 Equity Shares having Face Value of Rs.10/- each		2179.39
E	Securities Premium Account Before the Issue After the Issue		635.74 1398.34

*The present Issue of 76,26,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated August 1, 2018 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Annual General Meeting of the members held on August 27, 2018.

Classes of Shares

Our Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

Details of Changes in Authorized Share Capital of our Company:

Date of Meeting	AGM/EGM	Changes in Authorized Share Capital
Upon Incorporation	---	Authorized share capital of Rs. 5,00,000 (Five Lakh only) divided into 50,000 (Fifty Thousand only) Equity Shares of Rs. 10/- each.
March 30, 2002	EGM	Increase in the Authorized share capital of the Company from Rs. 5,00,000 (Five Lakh only) divided into 50,000 (Fifty Thousand only) Equity shares of Rs. 10/- each to Rs. 15,00,000 (Fifteen Lakh only) divided into 1,50,000 (One Lakh Fifty Thousand only) Equity shares of Rs. 10/- each.
October 05, 2006	EGM	Increase in the Authorized share capital of the Company from Rs. 15,00,000 (Fifteen Lakh only) divided into 1,50,000 (One Lakh Fifty Thousand only) Equity shares of Rs. 10/- each to Rs. 1,00,00,000 (One Crore only) divided into 10,00,000 (Ten Lakh only) Equity shares of Rs. 10/- each.



March 25, 2010	EGM	Increase in the Authorized share capital of the Company from Rs. 1,00,00,000 (One Crore only) divided into 10,00,000 (Ten Lakh only) Equity shares of Rs. 10/- each to Rs. 4,00,00,000 (Four Crore only) divided into 40,00,000 (Forty Lakh only) Equity shares of Rs. 10/- each.
August 27, 2018	AGM	Increase in the Authorized share capital of the Company from Rs. 4,00,00,000 (Four Crore only) divided into 40,00,000 (Forty Lakh only) Equity shares of Rs. 10/- each to Rs. 22,00,00,000 (Twenty Two Crore only) divided into 2,20,00,000 (Two Crore Twenty Lakh only) Equity shares of Rs. 10/- each.

Notes to Capital Structure

Share Capital History of our Company:

a) The following table sets forth details of the history of the Share capital of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (including Premium if applicable (Rs.))	Consideration	Reason of Allotment	Cumulative No. of Equity Shares	Cumulative Share Capital (Rs.)	Cumulative Share Premium (Rs.)
Upon Incorporation *	200	10	10	Cash	Subscription to MOA ⁽ⁱ⁾	200	2,000	-
March 21, 2000	9,000	10	50	Cash	Preferential Allotment ⁽ⁱⁱ⁾	9,200	92,000	360000
December 03, 2000	36,800	10	--	Other than Cash	Bonus ⁽ⁱⁱⁱ⁾	46,000	4,60,000	Nil
April 22, 2002	80,000	10	15	Cash	Preferential Allotment ^(iv)	1,26,000	12,60,000	4,00,000
May 13, 2005	20,000	10	50	Cash	Preferential Allotment ^(v)	1,46,000	14,60,000	12,00,000
October 20, 2006	3,00,000	10	10	Cash	Preferential Allotment ^(vi)	4,46,000	44,60,000	-
November 01, 2006	3,12,200	10	--	Other than Cash	Bonus ^(vii)	7,58,200	75,82,000	-
March 26, 2010	1,50,000	10	10	Cash	Preferential Allotment ^(viii)	9,08,200	90,82,000	-
May 04, 2015	14,53,120	10	135	Cash	Right Issue ^(ix)	23,61,320	2,36,13,200	18,16,40,000
August 29, 2018	1,18,06,600	10	--	Other than Cash	Bonus ^(x)	1,41,67,920	14,16,79,200	6,35,74,000
Total	1,41,67,920							

* The Shares were subscribed by Initial Subscribers to Memorandum of Association on September 27, 1996.

(i) Pursuant to their subscription to the Memorandum of Association, allotment of 200 Shares of Face values Rs. 10/- each were made to:

S. No.	Name of Allottees	Number of Shares Allotted
1	Mr. Ketan Shah	100
2	Mr. Sandip Shah	100
Total		200



(ii) Further Preferential allotment of 9,000 Equity shares of Face Value of Rs. 10/- each with premium of Rs. 40/- per Equity Share were made to:

S. No.	Name of Allottees	Number of Shares Allotted
1	Mr. Ketan Shah	4,000
2	Mr. Sandip Shah	4,000
3	Mrs. Ranjanben I Parikh	500
4	Mr. Jayesh Shah	500
Total		9,000

(iii) Further bonus allotment of 36,800 Equity Shares of Face Value of Rs. 10/- each were made to:

S. No.	Name of Allottees	Number of Shares Allotted
1	Mr. Ketan Shah	16,400
2	Mr. Sandip Shah	16,400
3	Mrs. Ranjanben I Parikh	2,000
4	Mr. Jayesh Shah	2,000
Total		36,800

(iv) Further Preferential allotment of 80,000 Equity Shares of Face Value of Rs. 10/- each with premium of Rs. 5/- per Equity Share were made to:

S. No.	Name of Allottees	Number of Shares Allotted
1	Mr. Ketan Shah	40,000
2	Mr. Sandip Shah	40,000
Total		80,000

(v) Further Preferential allotment of 20,000 Equity shares of Face Value of Rs. 10/- each with premium of Rs. 40/- per Equity Share were made to:

S. No.	Name of Allottees	Number of Shares Allotted
1	Mr. Sandip Shah	20,000
Total		20,000

(vi) Further Preferential allotment of 3,00,000 shares of Face Value of Rs. 10/- each were made to:

S. No.	Name of Allottees	Number of Shares Allotted
1	Mr. Ketan Shah	1,50,000
2	Mr. Sandip Shah	1,50,000
Total		3,00,000

(vii) Further Bonus allotment of 3,12,200 Equity shares of Face Value of Rs. 10/- each were made to:

S. No.	Name of Allottees	Number of Shares Allotted
1	Mr. Ketan Shah	1,47,350
2	Mr. Sandip Shah	1,61,350
3	Mrs. Ranjanben I Parikh	1,743
4	Mr. Jayesh Shah	1,750
5	Mrs. Ranjanben I Parikh Mr. Sanjay Patva	7
Total		3,12,200



(viii) Further Preferential allotment of 1,50,000 Equity shares of Face Value of Rs. 10/- each were made to:

S. No.	Name of Allottees	Number of Shares Allotted
1	Sanare Information Technology Private Limited	1,50,000
Total		1,50,000

(ix) Further Right Issue of 14,53,120 Equity shares of Face Value of Rs. 10/- each with premium of Rs. 125/- per Equity Share were made to:

S. No.	Name of Allottees	Number of Shares Allotted
1	ASYA Infosoft Limited	14,53,120
Total		14,53,120

(x) Further Bonus allotment of 1,18,06,600 Equity shares of Face Value of Rs. 10/- each were made to:

S. No.	Name of Allottees	Number of Shares Allotted
1	Mr. Ketan Shah	5,84,250
2	Mr. Sandip Shah	19,59,250
3	Mrs. Ranjanben I Parikh	21,250
4	Mr. Jimit Shah	7,66,250
5	Mr. Smith M Morabia	2,00,000
6	Mr. Mahendra H Morbia	2,00,000
7	Mr. Nirmal M Morabia	50,000
8	Morabia Mahendra Harjivan (HUF)	5,000
9	Asya Infosoft Limited	72,70,600
10	Mrs. Dimple Pandya	7,50,000
Total		1,18,06,600

Issue of Equity Shares for Consideration other than cash and bonus issues

Except as given below; our Company has not issued Equity shares for consideration other than cash as on the date of this Draft Prospectus. Details of which are set out below:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits Accrued to our Company	Allottees	No. of Shares Allotted
December 03, 2000	36,800	10	--	Bonus Issue	Expansion of Capital	Mr. Ketan Shah	16,400
						Mr. Sandip Shah	16,400
						Mrs. Ranjanben I Parikh	2,000
						Mr. Jayesh Shah	2,000
November 01, 2006	3,12,200	10	--	Bonus Issue	Expansion of Capital	Mr. Ketan Shah	1,47,350
						Mr. Sandip Shah	1,61,350
						Mrs. Ranjanben I Parikh	1,743
						Mr. Jayesh Shah	1,750
						Mrs. Ranjanben I Parikh	7
August 29, 2018	1,18,06,600	10	--	Bonus Issue	Expansion of Capital	Mr. Ketan Shah	5,84,250
						Mr. Sandip Shah	19,59,250
						Mrs. Ranjanben I Parikh	21,250
						Mr. Jimit Shah	7,66,250
						Mr. Smith M Morabia	2,00,000
						Mr. Mahendra H Morbia	2,00,000
						Mr. Nirmal M Morabia	50,000
Morabia Mahendra	5,000						



Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits Accrued to our Company	Allottees	No. of Shares Allotted
						Harjivan (HUF)	
						Asya Infosoft Limited	72,70,600
						Mrs. Dimple Pandya	7,50,000

3. Our Company has not issued and allotted Equity Shares in terms of scheme(s) approved under Section 391-394 of the Companies Act, 1956.

4. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

5. Except as stated below, no shares have been issued at price below Issue Price within last one year from the date of this Draft Prospectus.

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits Accrued to our Company	Allottees	No. of Shares Allotted
August 29, 2018	1,18,06,600	10	--	Bonus Issue	Expansion of Capital	Mr. Ketan Shah	5,84,250
						Mr. Sandip Shah	19,59,250
						Mrs. Ranjanben I Parikh	21,250
						Mr. Jimit Shah	7,66,250
						Mr. Smith M Morabia	2,00,000
						Mr. Mahendra H Morbia	2,00,000
						Mr. Nirmal M Morabia	50,000
						Morabia Mahendra Harjivan (HUF)	5,000
						Asya Infosoft Limited	72,70,600
Mrs. Dimple Pandya	7,50,000						

6. As on date of this Draft Prospectus, our Company does not have any preference share capital.

7. Build-up of our Promoter Shareholding, Promoters' Contribution and Lock-in

(a) Build-up of our Promoter shareholding in our Company

The current Promoters of our Company are Asya Infosoft Limited and Mr. Ketan Nalinkant Shah.

As on the date of this Draft Prospectus, our Promoters hold 94,25,820 Equity Shares, which constitutes 66.53% of the issued, subscribed and paid-up Equity Share capital of our Company.

None of the Equity Shares held by our Promoters is subject to any pledge.

Set forth below is the build-up of the equity shareholding of our Exiting Promoter since the incorporation of our Company.

Asya Infosoft Limited

Date of Allotment	Number of Equity Shares	Cumulative No. of Equity Share	Face Value (₹)	Issue per Equity Share (₹)	Nature of Consideration	Nature of transaction	Sources of funds	% of pre issue equity share capital	% of post issue equity share capital
April 01, 2015	1000	1000	10	10	Cash	Transferred from Mr. Jayesh N Shah	Owned	Negligible	Negligible



Date of Allotment	Number of Equity Shares	Cumulative No. of Equity Share	Face Value (₹)	Issue per Equity Share (₹)	Nature of Consideration	Nature of transaction	Sources of funds	% of pre issue equity share capital	% of post issue equity share capital
May 04, 2015	14,53,120	14,54,120	10	135	Cash	Right Issue#	Owned	10.26%	6.67%
August 29, 2018	72,70,600	87,24,720	10	--	Other than Cash	Bonus	Owned	51.32%	33.36%
Total	87,24,720								

*Cost of acquisition excludes Stamp Duty and the shares were fully paid on the date of allotment except Right Issue of 14,53,120 Equity Shares.

Right issue of 14,53,120 Equity Shares of face value of Rs. 10/- with Securities Premium of Rs. 125/- in the following Manner:

S. No.	Year	Amount of per share called up(Rs.)	Amount of Securities Premium	Amount of Share Capital
1.	2015-16 (On subscription)	7.00	12,74,15,660	1,01,71,840
2.	2016-17	Nil	4,57,97,000	Nil
3.	2017-18 (First Call)	0.93	84,27,340	13,47,660
4.	2018-19 (Second Call)	2.07	Nil	30,11,700
Total		10.00	18,16,40,000	1,45,31,200

Mr. Ketan Shah

Date of Allotment	Number of Equity Shares	Cumulative No. of Equity Share	Face Value (₹)	Issue per Equity Share (₹)	Nature of Consideration	Nature of transaction	Sources of funds	% of pre issue equity share capital	% of post issue equity share capital
Upon incorporation	100	100	10	10	Cash	Subscriber to MOA	Owned	0.00%	0.00%
March 21, 2000	4,000	4,100	10	10	Cash	Preferential Allotment	Owned	0.03%	0.02%
December 03, 2000	16,400	20,500	10	--	Other than Cash	Bonus	Owned	0.12%	0.08%
April 22, 2002	40,000	60,500	10	15	Cash	Preferential Allotment	Owned	0.28%	0.18%
October 20, 2006	1,50,000	2,10,500	10	10	Cash	Preferential Allotment	Owned	1.06%	0.69%
November 01, 2006	1,47,350	3,57,850	10	10	Cash	Preferential Allotment	Owned	1.04%	0.68%
March 15, 2013	1,000	3,56,850	10	10	Cash	Transferred to Morabia Mahendra Harjivan (HUF)	Owned	0.01%	0.00%



Date of Allotment	Number of Equity Shares	Cumulative No. of Equity Share	Face Value (₹)	Issue per Equity Share (₹)	Nature of Consideration	Nature of transaction	Sources of funds	% of pre issue equity share capital	% of post issue equity share capital
March 15, 2013	40,000	3,16,850	10	10	Cash	Transferred to Mr. Smith Morabia	Owned	0.28%	0.18%
March 15, 2013	10,000	3,06,850	10	10	Cash	Transferred to Mr. Nirmal M Morabia	Owned	0.07%	0.05%
March 15, 2013	40,000	2,66,850	10	10	Cash	Transferred to Mahendra H Morabia	Owned	0.28%	0.18%
February 06, 2016	50,000	2,16,850	10	10	Cash	Transferred to Mr. Dimpleben Pandya	Owned	0.35%	0.23%
February 06, 2016	50,000	1,66,850	10	10	Cash	Transferred to Mrs. Dimpleben Pandya	Owned	0.35%	0.23%
February 06, 2016	50,000	1,16,850	10	10	Cash	Transferred to Mrs. Dimpleben Pandya	Owned	0.35%	0.23%
May 25, 2018	3,250	1,20,100	10	10	Cash	Transferred from Mr. Jayesh Shah	Owned	0.02%	0.01%
May 25, 2018	1,50,000	2,70,100	10	10	Cash	Transferred from Sanare Information Technology Private Limited	Owned	1.06%	0.69%
May 25, 2018	1,53,250	1,16,850	10	10	Gift	Gift to Mr. Jimit Shah	Owned	1.08%	0.70%
August 29, 2018	5,84,250	7,01,100	10	--	Other than Cash	Bonus	Owned	4.12%	4.95%
Total	7,01,100								

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

b) Details of Promoters' Contribution Locked-in for Three (3) Years

Pursuant to Regulation 32 and 36 of the SEBI (ICDR) Regulations, an aggregate of at least 20% of the post-issue Equity Share capital of our Company held by our Promoters shall be locked for a period of three (3) years from the date of Allotment.

All Equity Shares held by our Promoters are eligible for Promoters' contribution, pursuant to Regulation 33 of the SEBI (ICDR) Regulations.

All the Equity Shares of our Company held by our Promoters and the Promoters Group are in dematerialized form.

Our Promoters has consented to the inclusion of such number of the Equity Shares held by him, in aggregate, as



may constitute 20% of the post-issue capital of our Company as Promoters' contribution and the Equity Shares proposed to form part of Promoters' contribution subject to lock-in shall not be disposed of/ sold/ transferred by our Promoters during the period starting from the date of filing this Draft Prospectus with the Stock Exchange until the date of commencement of the lock-in period.

Accordingly, Equity Shares aggregating to 20% of the post-issue capital of our Company, held by our Promoter shall be locked-in for a period of three (3) years from the date of Allotment in the issue as follows:

Details of Promoters' Contribution							
Date on which the Equity Shares were Allotted	Nature of Acquisition	Nature of Consideration (Cash/Other than Cash)	Number of Equity Shares Allotted	Face Value (₹)	Issued Price (₹)	% of post-Issue share capital	Period of Lock-in
Aysa Infosoft Limited							
May 04, 2015	Right Issue	Cash	14,53,120	10	135	6.67	3 years
August 29, 2018	Bonus	Other than Cash	29,08,880	10	--	13.34	3 years
43,62,000						20.01	

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'Promoter' under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this respect, we confirm the following:

- i. The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three (3) years immediately preceding the date of this Draft Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets, nor have resulted from a bonus issue out of revaluation reserves or unrealized profits of our Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- ii. The minimum Promoters' contribution does not include any Equity Shares acquired during the one (1) year immediately preceding the date of this Draft Prospectus at a price lower than the price at which the Equity Shares are being Issued to the public in the Issue;
- iii. Our Company has not been formed by conversion of a partnership firm into a Company and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm.
- iv. The Equity Shares held by our Promoters which are offered for minimum Promoters' contribution are not subject to any pledge;
- v. All the Equity Shares of our Company are held in physical form but process of dematerialization has been started.
- vi. The Equity Shares offered for Promoters' Contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoters for inclusion of its subscription in the Promoters' contribution subject to lock-in.

c) Details of Equity Shares Locked-in for one (1) year

In terms of Regulation 36 and 37 of the SEBI (ICDR) Regulations, other than the Equity Shares offered by the Promoter for the Minimum Promoters' Contribution, which will be locked-in as minimum Promoters' contribution for three (3) years, all the pre-Offer Equity Shares shall be subject to lock-in for a period of one (1) year from the date of Allotment.

The Equity Shares which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferrable period mentioned in the face of the security certificate. The shares which are in dematerialized form, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.



d) Other requirements in respect of lock-in

In terms of Regulation 39 of the SEBI (ICDR) Regulations, locked-in Equity Shares for one (1) year held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Promoters' contribution can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than our Promoters prior to the Offer may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("Takeover Regulations") and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI (ICDR) Regulations has elapsed.

Further, in terms of Regulation 40 of SEBI (ICDR) Regulations, the Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new Promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI (ICDR) Regulations has elapsed.

e) We further confirm that our Promoters Contribution of 20.01 % of the post-issue Equity Share capital does not include any contribution from Alternative Investment Fund.

f) Shareholding of our Promoter & Promoters Group

The table below presents the shareholding of our Promoters and Promoter Group, who hold Equity Shares as on the date of filing of this Draft Prospectus:

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding [^]
Promoter (A)				
Asya Infosoft Limited	87,24,720	61.58%	87,24,720	40.03%
Mr. Ketan Nalinkant Shah	7,01,100	4.95%	7,01,100	3.22%
Total (A)	94,25,820	66.53%	94,25,820	43.25%
Promoters Group (B)				
Mr. Jimit Shah	9,19,500	6.49%	9,19,500	4.22%
Mr. Smit M Morabia	2,40,000	1.69%	2,40,000	1.10%
Mr. Mahendra H Morabia	2,40,000	1.69%	2,40,000	1.10%
Mr. Nirmal H Morabia	60,000	0.42%	60,000	0.28%
Mrs. Dimple Pandya	9,00,000	6.35%	9,00,000	4.13%
Morabia Mahendra Harjivan (HUF)	6,000	0.04%	6,000	0.03%
Total (B)	23,65,500	16.68%	23,65,500	10.86%
Total (A+B)	1,17,91,320	83.21%	1,17,91,320	54.11%

[^] Assuming full allotment.

As on the date of filing of this Draft Prospectus, our Promoter and members of the Promoters Group do not hold any preference shares in our Company.

8. Acquisition and sale/transfer of Equity Shares by our Promoter in last one (1) year

Except as stated below, there has been no acquisition, sale or transfer of Equity Shares by our Promoter in the last one (1) year preceding the date of filing of this Draft Prospectus.



Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price per Equity Share (₹)	Nature of Consideration	Nature of transaction
Asya Infosoft Limited					
August 29, 2018	72,70,600	10	-	Other than Cash	Bonus
Mr. Ketan Shah					
May 25, 2018	3,250	10	10	Cash	Transfer from Mr. Jayesh Shah
May 25, 2018	1,50,000	10	10	Cash	Transfer from Saanare Information Technology Private Limited
May 25, 2018	1,53,250	10	-	No Consideration	Gift to Mr. Jimit Shah
August 29, 2018	58,42,500	10	-	Other than Cash	Bonus


9.I-Our Shareholding Pattern:-

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of Rs.10/- each^	Class eg:	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VIII+IX	XII	XIII	XIV		
(A)	Promoters & Promoter	8	1,17,91,320	-	-	1,17,91,320	83.21	1,17,91,320	-	1,17,91,320	83.21	-	-	-	-	-	-	0
(B)	Public	2	23,76,600	-	-	23,76,600	16.79	23,76,600	-	23,76,600	16.79	-	-	-	-	-	-	0
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Emn Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	10	1,41,67,920	-	-	1,41,67,920	100.00	1,41,67,920	-	1,41,67,920	100.00	-	100.00	-	-	-	-	0

*As on date of this Draft Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares.

The Shareholding pattern will be uploaded on the website of BSE Limited before commencement of trading of such Equity Share.



10. Except as set out below, none of the directors of our Company are holding any Equity Shares in our Company.

Particulars	Number of Shares	Pre-Issue Percentage holding (%)	Post-Issue Percentage holding (%) [^]
Mr. Ketan Shah	7,01,100	4.95%	3.22%
Mr. Jimit Shah	9,19,500	6.49%	4.22%
Total	16,20,600	11.44%	7.44%

[^] Assuming full allotment.

11. None of the Equity Shares of our Company are subject to any pledge as on the date of this Draft Prospectus.

12. None of the shareholding of the Promoters & Promoters Group is subject to lock-in as on date of this Draft Prospectus.

13. Mr. Sandip Shah belonging to the category Public are holding more than 1% of the total number of shares as on the date of this Draft Prospectus.

14. None of the Key Managerial Personnel holds Equity Shares in our Company as on the date of this Draft Prospectus except as disclosed in Point 18 below.

15. Top Ten Shareholders of our Company.

a) The top ten (10) shareholders of our Company as on date of filing of this Draft Prospectus are as follows:

Sl. No.	Name of the Shareholder	Number of Equity Shares	% Pre-Issue Holding
1.	Asya Infosoft Limited	87,24,720	61.58
2.	Mr. Sandip Shah	23,51,100	16.59
3.	Mr. Jimit Shah	9,19,500	6.49
4.	Mrs. Dimple Pandya	9,00,000	6.35
5.	Mr. Ketan Shah	7,01,100	4.95
6.	Mr. Smith M Morabia	2,40,000	1.69
7.	Mr. Mahendra H Morabia	2,40,000	1.69
8.	Mr. Nirmal M Morabia	60,000	0.42
9.	Mrs. Ranjanben I Parikh	25,500	0.18
10.	Morabia Mahendra Harjivan (HUF)	6,000	0.04
Total		1,41,67,920	100%

b) The top ten (10) shareholders of our Company as of ten (10) days prior to the filing of the Draft Prospectus with the Stock Exchange are as follows:

Sl. No.	Name of the Shareholder	Number of Equity Shares	% Pre-Issue Holding
1.	Asya Infosoft Limited	87,24,720	61.58
2.	Mr. Sandip Shah	23,51,100	16.59
3.	Mr. Jimit Shah	9,19,500	6.49
4.	Mrs. Dimple Pandya	9,00,000	6.35
5.	Mr. Ketan Shah	7,01,100	4.95
6.	Mr. Smith M Morabia	2,40,000	1.69
7.	Mr. Mahendra H Morabia	2,40,000	1.69
8.	Mr. Nirmal M Morabia	60,000	0.42
9.	Mrs. Ranjanben I Parikh	25,500	0.18
10.	Morabia Mahendra Harjivan (HUF)	6,000	0.04
Total		1,41,67,920	100%



b) The top ten (10) shareholders of our Company as of two (2) years prior to the filing of the Draft Prospectus with the Stock Exchange are as follows:

Sl. No.	Name of the Shareholder	Number of Equity Shares	% Pre-Issue Holding
1.	Ketan Shah	116850	4.95
2.	Sandip Shah	391850	16.59
3.	Jayesh Shah	3250	0.14
4.	Ranjanben I Parikh	4250	0.18
5.	Sanare IT Pvt. Ltd	150000	6.35
6.	Smith M Morabia	40000	1.69
7.	Mahendra H Morbia	40000	1.69
8.	Nirmal M Morabia	10000	0.42
9.	Morabia Mahendra Harjivan (HUF)	1000	0.04
10.	Asya infosoft Ltd	1454120	61.58
11.	Dimple pandya	150000	6.35
Total		23,61,320	99.98

16. One of our public shareholders are holding more than 1% of the pre-issue share capital of our Company.

17. There has been no subscription to or sale or purchase of our Equity Shares, within the three (3) years immediately preceding the date of this Draft Prospectus, by our Promoters, Directors or Promoters Group which in aggregate equals or exceeds 1% of the pre-issue Equity Share capital of our Company.

18. None of our Directors or Key Managerial Personnel holds any Equity Shares other than as set out below as on date of Draft Prospectus:

Sr No	Name	Designation	No. of Equity Shares held
1	Mr. Ketan Nalinkant shah	Managing Director	7,01,100
2	Mr. Jimit Shah	Whole time Director and CFO	9,19,500

19. Our Company has not made any public issue of any kind or class of securities of our Company within the immediately preceding two (2) years prior to filing this Draft Prospectus.

20. Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.

21. Neither the Lead Manager viz. Finshore Management Services Limited, nor their associates hold any Equity Shares of our Company as on date of this Draft Prospectus.

22. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangements or financed the purchase of the Equity shares of our Company by any other person during the period of six (6) months immediately preceding the date of filing of the Draft Prospectus.

23. We hereby confirm that there may be further issue of capital whether by the way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of this Draft Prospectus until the Equity shares offered have been listed or application money unblocked on account of failure of Offer.

24. Our Company, its Directors, Promoters, or the Lead Manager have not entered into any buy-back or standby arrangements for the purchase of the Equity Shares of our Company.

25. None of the Promoter Group, the Directors and their relatives have purchased or sold any Equity Shares during the period of six (6) months immediately preceding the date of filing of this Draft Prospectus with the Stock Exchange, except below table:-



Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price per Equity Share (₹)	Nature of Consideration	Nature of transaction
Mr. Ketan Shah					
May 25, 2018	3,250	10	10	Cash	Transfer from Mr. Jayesh Shah
May 25, 2018	1,50,000	10	10	Cash	Transfer from Saanare Information Technology Private Limited
May 25, 2018	1,53,250	10	-	No Consideration	Gift to Mr. Jimit Shah

26. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.

27. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Draft Prospectus.

28. The Equity Shares are fully paid up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Prospectus.

29. Our Company has not issued Equity Shares out of Revaluation Reserves.

30. Our Company shall comply with such disclosures and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.

31. The Equity Shares issued pursuant to this Offer shall be fully paid-up.

32. As on date of this Draft Prospectus, our Company has ten (10) shareholders.

33. Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds of the Offer.

34. Our Company, Directors, Promoter or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Offer except as disclosed in this Draft Prospectus.

35. Our Company does not have any proposal or intention to alter the equity capital structure by way of split/consolidation of the denomination of the Equity Shares, or the issue of securities on a preferential basis or issue of bonus or rights or further public issue of securities or qualified institutions placement within a period of six (6) months from the date of opening of the Offer. However, if business needs of our Company so require, our Company may alter the capital structure by way of split / consolidation of the denomination of the Equity Shares / issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six (6) months from the date of opening of the Issue or from the date the application moneys are refunded on account of failure of the Offer, after seeking and obtaining all the approvals which may be required.

36. Our Company has not revalued its assets during the last five (5) financial years.

37. An over-subscription to the extent of 10% of the Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Offer. Consequently, the actual allotment may go up by a maximum of 10% of the Offer, as a result of which, the post-offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to three (3) years lock- in shall be suitably increased; so as to ensure that 20% of the post offers paid-up capital is locked in.



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

39. In case of over-subscription in all categories the allocation in the offer shall be as per the requirements of Regulation 43(4) of SEBI (ICDR) Regulations.

40. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.

41. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.

42. There are no Equity Shares against which depository receipts have been issued.

43. Other than the Equity Shares, there is no other class of securities issued by our Company.

44. This Offer is being made through Fixed Price method.

45. Our Promoter and members of our Promoters Group will not participate in the Offer.



SECTION IV: PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 76,26,000 Equity Shares of our Company at an Issue Price of ` 20.00 per Equity Share.

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on SME Platform of BSE:

The Objects of the Issue are:

- A. To Meet working capital requirement;
- B. To meet the Issue Expenses; and
- C. To meet General corporate purpose

(Collectively referred as the “Objects”)

We believe that listing will enhance our corporate image and brand name and create a public market for Equity Share of our Company in India and will further enable us to avail future growth opportunities. Our Company is primarily engaged in selling, purchasing, manufacturing, refining, export, Import, or otherwise deal as agent in all classes of leather hides skin or their substitutes, natural and synthetic. The main object clause and the ancillary object clause of the Memorandum of Association of our Company enable us to undertake our existing activities and the activities for which we are raising funds through the Issue. The existing activities of our Company are within the object clause of our Memorandum. The Fund requirement and deployment is based on internal management estimates and has not been appraised by any bank and financial institution.

Requirement of Funds

Our funding requirement is depend on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial condition. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The following table summarizes the requirement of funds:

Sl. No.	Particulars	Amount (in ` Lakh)
1	To Meet working capital requirement	[•]
2	Public issue expenses	
3	General corporate purpose	
	Total: Gross Issue Proceeds	
	Less: Public Issue Expenses	
	Total: Net Issue Proceeds	

Utilisation of Net Issue Proceeds: The Net Issue proceeds will be utilised to finance Working Capital Requirement and General corporate purpose in tune of [•] Lakh and [•] Lakh respectively.

Means of Finance: The above-mentioned fund requirement will be met from the proceeds of the Issue. We intend to fund the shortfall, if any, from internal accruals and/ or debt. Set forth below are the means of finance for the above-mentioned fund requirement:

Sl. No.	Particulars	Amount (in ` Lakh)
1	Net Issue Proceeds	[•]
	Total	[•]

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



The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or any other independent agency. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page 14 of this Draft Prospectus.

Details of the use of the proceeds

1. To Meet Working Capital Requirement

Our business is working capital intensive. We finance our working capital requirement from our internal accruals. Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ` 3149.92 Lakh for FY 2018-2019. We intend to meet our working capital requirements to the extent of ` 1400.20 Lakh from the Net Proceeds of this Issue and the balance will be met from internal accruals and borrowings at an appropriate time as per the requirement.

Basis of estimation of working capital

The details of our Company's composition of working capital as at March 31, 2018 and March 31, 2019 based on the Restated Summary Statements. Further the source of funding of the same are as set out in the table below:

(` in lakh)

DETAILS OF UTILIZATION OF ISSUE PROCEEDS

Working Capital Requirements

	31.03.2018	Rs. In Lakhs 31.03.2019
Particulars		
Cash & Bank Balance	204.98	269.92
Sundry Debtors	2844.71	2000.00
Inventories	498.35	830.00
Other Current Assets	318.04	1000.00
Total Current Assets	3866.08	4099.92
Sundry Creditors	1793.15	800.00
Other Current Liabilities	143.51	150.00
Total Current Liabilities	1936.66	950.00
Working Capital Gap	1929.42	3149.92



Source of Working Capital		
Bank Loan	408.03	400.00
Proceeds from IPO	0.00	1400.20
Internal Accrual	1521.39	1349.72
Total	1929.42	3149.92

We have estimated future working capital requirements based on the following:

Particulars	Basis	(No. of Months)	
		2017-18	2018-19
Receivables	Collection Period	4.37	10.23
Inventory	Finished Goods	0.66	1.87
Payables	Credit Period	0.89	6.53

The details of our Company's expected working capital requirements for the Financial Years 2019 and funding of the same have not been audited or reviewed by the Statutory Auditor. Our Statutory Auditor have by a certificate dated September 07, 2018, certified the working capital requirements of our Company.

On the basis of existing working capital requirement of our Company and the estimated incremental working capital requirement, our Board pursuant to their resolution dated September 07, 2018 has approved the business plan for the period ended March 31, 2019 and the projected working capital requirement for Fiscals 2019 on standalone basis.

2. Public Issue Expense

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

(` In Lakh)

Activity	Expenses
Fees payable to Merchant Banker , Registrar Fees, Legal Fees & Misc. Expenditure Brokerage & Selling Commission	[●]
Printing and Stationery Expenses, Advertising and Marketing Expenses Statutory Expenses etc.	[●]
Total Estimated Issue Expenses	[●]

3. General Corporate Purpose:

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ` [●] Lakh towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

4. Proposed year-wise Deployment of Funds and Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:



(` In Lakh)

Sl. No.	Particulars	Amount already Incurred	Amount to be deployed in F.Y. 2018-19
1.	Working Capital Requirement	[•]	[•]
2.	Public Issue Expenses	[•]	[•]
3.	General Corporate Purpose	[•]	[•]
	Total	[•]	[•]

The above expense includes GST.

5. Funds Deployed and Sources of Funds Deployed:

Our Peer Auditors, H. K. Shah & Co., Chartered Accountants, vide their certificate dated September 02, 2018 have confirmed that the following funds have been deployed for the proposed object of the Issue:

(Rs. In Lakh)

Sl. No.	Particulars	Amount deployed
1.	Issue Expenses [^]	[•]
	Total	[•]

[^] Excluding applicable tax

6. Sources of Financing for the Funds Deployed

Peer Auditors, H. K. Shah & Co., Chartered Accountants, vide their certificate dated September 02, 2018 have also confirmed the amount deployed so far towards part of the Issue expenses has been financed through internal sources.

(Rs. In Lakh)

Sl. No.	Particulars	Amount deployed
1	Internal Accruals	[•]
	Total	[•]

Appraisal

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

Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

Bridge Financing Facilities

As on the date of this Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Monitoring Utilization of Funds

As the Issue size is less than `10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

The Audit committee and the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue On an annual



basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

Further, in accordance with SEBI Listing Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

Variation in Objects

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

Other Confirmations

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



BASIC TERMS OF THE ISSUE

Authority for the Issue

The present Issue of 76,26,000 Equity Shares in terms of the Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated August 01, 2018 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting of the members held on August 27, 2018.

Ranking of Equity Shares

The Equity Shares being issued under the Issue shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends or any other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please refer to the chapter “**Main Provisions of the Articles of Association**” beginning on 259 of this Draft Prospectus.

Terms of the Issue

The Equity Shares, now being Issued, are subject to the terms and conditions of this Draft Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchange, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009, notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

Face Value	Each Equity Share shall have the face value of `10.00 each.
Issue Price	Each Equity Share is being issued at a price of ` 20.00 each and is 2 time of Face Value.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 6,000 and the multiple of 6,000; subject to a minimum allotment of 6,000 Equity Shares to the successful applicants.
Terms of Payment	100% of the Issue price of ` 20.00 each shall be payable on Application. For more details please refer “ Issue Procedure ” on page 239 of this Draft Prospectus.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “ Main Provisions of Articles of Association ” on page 259 of this Draft Prospectus.

Minimum Subscription

In accordance with Regulation 106P (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation 106P (1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive the subscription of 100% of the Issue including devolvement on Underwriters within 60 (Sixty) days from the date of closure of the issue, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed in the Companies Act.

Ideal Systems Limited



Further, in accordance with Regulation 106R of SEBI ICDR Regulations, no allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty). For further details, please refer to section titled “**Terms of the Issue**” beginning on page 230 of this Draft Prospectus.



BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information**” beginning on page 14, 83 and page 128 respectively of the Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the Lead Manager on the basis of the key business strengths of our Company. The face value of the Equity Shares is ` 10.00 each and the Issue Price is ` 20.00 each, which is 2 times of the face value.

QUALITATIVE FACTORS

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to section titled “**Our Business**” beginning on page 83 of this Draft Prospectus.

QUANTITATIVE FACTORS

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

Basic & Diluted Earnings per share (EPS):

Sl. No.	Period	Standalone	
		Basic & Diluted ()	Weights
1.	FY 2015-16	0.53	1
2.	FY 2016-17	0.30	2
3.	FY 2017-18	0.67	3
	Weighted Average	0.52	

Notes:

The figures disclosed above are based on the restated financial statements of the Company.

Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.

The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

Price Earning (P/E) Ratio in relation to the Issue Price of ` 20.00:

Sl. No.	Particulars	P/E
1.	P/E ratio based on the Basic & Diluted EPS, as adjusted for FY 2017-18	29.85
2.	P/E ratio based on the Weighted Average EPS, as adjusted for FY 2017-18	38.46

Peer Group P/ E:

We believe that none of the listed companies in India offer products or services across the various business segments in which we operate. There are, however, listed companies in India in the Software Business with one or more business segments common to ours and these are as given below:

Sl. No	Name of Company	Face Value (Rs.)	Basic EPS (Rs.)#	P/E	RoNW (%)	BV per share ()
1.	Take Solutions	1.00	1.03	67.38	1.98%	52.01
2.	Onwards Technologies	10.00	1.42	31.21	4.24%	33.14

Source: www.bseindia.com dated 28.09.2018

*Based on March 31, 2018 restated financial statements.



**Standalone

^ Consolidated

adjusted EPS

Return on Net worth (RoNW)*

Sl. No.	Period	Standalone	
		RONW	Weights
1.	FY 2015-16	3.62%	1
2.	FY 2016-17	1.69%	2
3.	FY 2017-18	3.52%	3
	Weighted Average	2.93%	

*Restated Profit after tax/Net Worth

Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS for the financial year 2017-18:

Sl. No	Particulars	(%) on Standalone
1	At the Issue Price	[●]

Net Asset Value (NAV) per Equity Share (Adjusted):

Sl. No.	As at	Standalone	
		NAV (₹) Pre Bonus	NAV (₹) Post Bonus
1.	March 31, 2016	84.42	14.61
2.	March 31, 2017	104.78	18.03
3.	March 31, 2018	111.33	19.11
	NAV after Issue		[●]
	Issue Price		20.00

The face value of our shares is ` 10.00 per share and the Issue Price is of ` 20.00 per share is 2 times of the face value.

Our Company in consultation with the Lead Manager believes that the Issue Price of ` 20.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the Issue Document to have more informed view about the investment.

Investors should read the above mentioned information along with sections titled "**Our Business**", "**Risk Factors**" and "**Financial Information**" beginning on pages 83, 14 and 128 respectively including important profitability and return ratios, as set out in "Annexure VIII-A and VIII-B" to the Financial Information of our Company beginning on page 128 of this Draft Prospectus to have a more informed view.



STATEMENT OF POSSIBLE TAX BENEFITS

**The Board of Directors
IDEAL SYSTEMS LIMITED
4th Floor H N House (Nidhi Complex),
Near Under Bridge Stadium Five Roads,
Navrangpura, Ahmedabad-380009- India**

Dear Sirs,

Sub: Statement of possible Special tax benefit ('the Statement') available to IDEAL SYSTEMS LIMITED and its shareholders prepared in accordance with the requirements under Schedule VIII Part A Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')

We hereby confirm that the enclosed annexure, prepared by Ideal Systems Limited ('the Company') states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act'), the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

The amendments in Finance Act 2017 and Finance Bill 2018 have been incorporated to the extent relevant in the enclosed annexure.

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

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

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

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

For , H.K. Shah & Co
Chartered Accountants
Firm Registration No.: - 109583W

Sd/-

Malav Desai

Partner

Membership No.135524

Place:Ahmedabad

Date: **September 24, 2018**

Encl: Annexure



Annexure to the statement of possible Tax Benefits

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ('the Act')

- Special Tax Benefits available to the Company & its Subsidiaries under the Act:

There are no special Tax benefits available to the Company & its subsidiaries under the Act.

- Special Tax Benefits available to the shareholders of the Company under the Act:

There are no special Tax Benefits available to the shareholders of the Company.

Notes:

The above Statement of Possible Special Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.



SECTION V: ABOUT THE COMPANY AND THE INDUSTRY

INDUSTRY OVERVIEW

Overview of Global Economy

Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States.

At 3.8 percent, global growth in 2017 was the fastest since 2011. With financial conditions still supportive, global growth is expected to tick up to a 3.9 percent rate in both 2018 and 2019. Advanced economies will grow faster than potential in 2018 and the next year; euro area economies are set to narrow excess capacity with support from accommodative monetary policy, and expansionary fiscal policy will drive the US economy above full employment. Aggregate growth in emerging market and developing economies is projected to firm further, with continued strong growth in emerging Asia and Europe and a modest upswing in commodity exporters after three years of weak performance. Global growth is projected to soften beyond the next couple of years. Once their output gaps close, most advanced economies are poised to return to potential growth rates well below pre-crisis averages, held back by aging populations and lackluster productivity. US growth will slow below potential as the expansionary impact of recent fiscal policy changes goes into reverse. Growth is projected to remain subpar in several emerging market and developing economies, including in some commodity exporters that continue to face substantial fiscal consolidation needs. Economic activity in 2017 ended on a high note growth in the second half of the year was above 4 percent, the strongest since the second half of 2010, supported by a recovery in investment. Outcomes exceeded the October 2017 World Economic Outlook forecasts in the euro area, Japan, the United States, and China, and continued to improve gradually in commodity exporters. Financial conditions remain supportive, despite the recent volatility in equity markets and increases in bond yields following signs of firming inflation in advanced economies. With broad-based momentum and expectations of a sizable fiscal expansion in the United States over this year and the next, global growth is now projected at 3.9 percent for 2018–19, a 0.2 percentage point upgrade for both years relative to the October 2017 forecast.

This positive momentum will eventually slow, however, leaving many countries with a challenging medium-term outlook. Some cyclical forces will wane: financial conditions are expected to tighten naturally with the closing of output gaps and monetary policy normalization; US tax reform will subtract momentum starting in 2020, and then more strongly as full investment expensing is phased out starting in 2023; and China's transition to lower growth is expected to resume as credit growth and fiscal stimulus diminish. At the same time, while the expected recovery in investment will help raise potential output, weak productivity trends and reduced labor force growth due to population aging constrain medium-term prospects in advanced economies. The outlook is mixed across emerging market and developing economies. Prospects remain favorable in emerging Asia and Europe, but are challenging in Latin America, the Middle East and sub-Saharan Africa, where despite some recovery the medium term outlook for commodity exporters remains generally subdued, with a need for further economic diversification and adjustment to lower commodity prices. More than one-quarter of emerging market and developing economies are projected to grow by less than advanced economies in per capita terms over the next five years, and hence fall further behind in terms of living standards. Risks around the short-term outlook are broadly balanced, but risks beyond the next several quarters are clearly to the downside. On the upside, the growth spurt in advanced economies may turn out to be stronger and more durable than in the baseline, as slack in labor markets can be larger than currently assessed. Furthermore, the ongoing recovery in investment could foster a rebound in productivity, implying higher potential growth going forward. In the United States, financial conditions could tighten faster than expected, triggered, for example, by an adjustment in market pricing of the future path of monetary policy, higher realized or expected wage and price inflation, and/or a sudden decompression of term premiums. Tighter financial conditions in the United States would have spillovers to other economies, including through a reduction in capital flows to emerging markets. Very expansionary fiscal policy in the United States, at a time when the current account deficit is already larger than justified by fundamentals, combined with persistent excess current account surpluses in other countries, is projected to widen global imbalances. Anxiety about technological change and globalization is on the rise and, when combined with wider trade imbalances, could foster a shift toward inward-looking policies, disrupting trade and investment. Recent import restrictions announced by the United States, announced retaliatory actions by China and potential retaliation by other countries raise concerns in this regard and threaten to damage global and domestic activity and sentiment. Similarly, changes in US tax policies are expected to exacerbate income polarization, which could affect the political climate for policy choices in the future. Climate change,



geopolitical tensions, and cyber security breaches pose additional threats to the subdued medium-term global outlook. (Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018>)

Overview of Overseas Industry

Global spirit market is bifurcated in various alcoholic products which includes vodka, gin, tequila, rum, whisky, brandy, cane, natural spirits and flavored spirits. Vodka leads the global spirit market followed by whisky. Whisky showed highest growth in the past few years and is expected to witness same growth in the coming years due to increasing consumption in the countries such as China and India. Despite global recession, premium and super premium brand showed average market.

Asia-Pacific has the largest market for alcoholic products, followed by North America and Europe. Asia-Pacific is expected to maintain its dominance in the global spirit market due to increasing domestic consumption in countries such as China and India. China leads the Asia-Pacific spirit market but India is expected to grow fastest. In China, sales of imported spirit have grown four times in the last ten years. Baijiu (white spirit) and rice wine are the most popular alcoholic drinks in China. Whisky is the most widely consumed alcoholic product in Indian Market. Brazil is reported to have highest per capita consumption of whisky globally in the coming years.

Global spirit market has witness slow growth in past few years due to global recession. Since, 2013, the spirit market has shown growth mainly due to the increasing demand from emerging nations such as Brazil, Russia, India and China (BRIC). This is expected to drive the global spirit market. Rising level of disposable income is also driving the global spirit market. Consumers prefer premium brands and are ready to pay more for higher quality brands. Additionally, social media are coming up with innovative campaigns focusing of spirit brands. This can provide an excellent growth opportunity for the alcohol retailers to get connected to the potential customers. Increasing younger population is also expected to add on to the increasing demand of spirit boosting the global spirit market. However, government regulatory for alcohol in high growth market such as India is expected to hamper the overall spirit market. Sales of alcohol in India is only restricted to government approved shops. Also, alcohol advertising is banned along with alcohol drinking in public places

Overview of Indian economy

The year 2017-18 was marked with strong macro-economic fundamentals. However, the growth of gross domestic product (GDP) moderated in 2017- 18 vis-à-vis 2016-17. There was an improvement in export growth, fiscal trends remained attuned to the consolidation plans and inflation remained within the limits. The year also witnessed an increase in global confidence in Indian economy as well as improvement in ease of doing business ranking. Various economic reforms were undertaken in the year which includes: implementation of the Goods and Service Tax, announcement of bank recapitalization, push to infrastructure development by giving infrastructure status to affordable housing, higher allocation of funds for highway construction and greater focus on coastal connectivity. Further initiatives include: lower income tax for companies with annual turnover up to 50 crore; allowing carry-forward of MAT credit up to a period of 15 years instead of 10 years at present; further measures to improve the ease of doing business; and, major push to digital economy. Other sectoral initiatives undertaken include: measures to revive the construction sector and promotion of exports in textile and apparel industry. Apart from these, the measures that were taken by the Government in the previous years to boost manufacturing, employment generation, improving ease of doing business and transparency via schemes such as Make-in-India, Skill India, direct benefit transfer and measures for financial inclusion were also taken forward in 2017-18. An important macro-economic challenge faced by the Indian economy relates to the declining trend in the investment and saving rates, as seen from the latest available data. Nonetheless, medium-term macro outlook remains bright against the background of implementation of GST, green shoots in the global economy, relatively stable prices and improvement in indicators of external sector.

Introduction

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.



Market size

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organization (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial. The tax collection figures between April 2017 - February 2018 show an increase in net direct taxes by 19.5 per cent year on year and an increase in net direct taxes by 22.2 per cent year-on-year. India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI. (Source: <https://www.ibef.org/economy/indian-economy-overview>)

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 404.92 billion in the week up to December 22, 2017, according to data from the RBI.

Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India increased 53.3 per cent to US\$ 77.6 billion in 2017 while private equity (PE) deals reached US\$ 24.4 billion. Some of the important recent developments in Indian economy are as follows:

- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalisation plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.
- The Government of India has saved US\$ 10 billion in subsidies through direct benefit transfers with the use of technology, Aadhaar and bank accounts, as per a statement by Mr Narendra Modi, Prime Minister of India.
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.
- The total projected expenditure of Union Budget 2018-19 is Rs 23.4 lakh crore (US\$ 371.81 billion), 9 per cent higher than previous year's budget, as laid out in the Medium Term Expenditure Framework (MTEF).
- India received the highest ever inflow of equity in the form of foreign direct investments (FDI) worth US\$ 43.4 billion in 2016-17 and has become one of the most open global economies by ushering in liberalisation measures, as per the mid-year economic survey of India.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- Indian merchandise exports in dollar terms registered a growth of 30.55 per cent year-on-year in November 2017 at US\$ 26.19 billion, according to the data from Ministry of Commerce & Industry



- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

Government Initiatives

In the Union Budget 2017-18, the Finance Minister, Mr Arun Jaitley, verified that the major push of the budget proposals is on growth stimulation, providing relief to the middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country.

India's unemployment rate has declined to 4.8 per cent in February 2017 compared to 9.5 per cent in August 2016, as a result of the Government's increased focus towards rural jobs and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme.

The Government of Maharashtra has set a target to double farm income by 2022 through measures like large scale micro irrigation, water conservation, expansion of formal cash credit coverage, crop insurance and agriculture diversification, as per Mr. Vidyasagar Rao, Governor of Maharashtra.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- The Government of India has succeeded in providing road connectivity to 85 per cent of the 178,184 eligible rural habitations in the country under its Pradhan Mantri Gram Sadak Yojana (PMGSY) since its launch in 2014.
- A total of 15,183 villages have been electrified in India between April 2015-November 2017 and complete electrification of all villages is expected by May 2018, according to Mr Raj Kumar Singh, Minister of State (IC) for Power and New & Renewable Energy, Government of India.
- The Government of India has decided to invest Rs 2.11 trillion (US\$ 32.9 billion) to recapitalise public sector banks over the next two years and Rs 7 trillion (US\$ 109.31 billion) for construction of new roads and highways over the next five years.
- The mid-term review of India's Foreign Trade Policy (FTP) 2015-20 has been released by Ministry of Commerce & Industry, Government of India, under which annual incentives for labour intensive MSME sectors have been increased by 2 per cent.
- The India-Japan Act East Forum, under which India and Japan will work on development projects in the North-East Region of India will be a milestone for bilateral relations between the two countries, according to Mr Kenji Hiramatsu, Ambassador of Japan to India.
- The Government of India will spend around Rs 1 lakh crore (US\$ 15.62 billion) during FY 18-20 to build roads in the country under Pradhan Mantri Gram Sadak Yojana (PMGSY).
- The Government of India plans to facilitate partnerships between gram panchayats, private companies and other social organisations, to push for rural development under its 'Mission Antyodaya' and has already selected 50,000 panchayats across the country for the same.
- The fiscal deficit of the Government of India, which was 4.5 per cent of the gross domestic product (GDP) in 2013-14, has steadily reduced to 3.5 per cent in 2016-17 and is expected to further decrease to 3.2 per cent of the GDP in 2017-18, according to the Reserve Bank of India (RBI).
- The Government of India plans to implement a new scheme, named 'Sasti Bijli Har Ghar Yojana' with an outlay of Rs 17,000 crore (US\$ 2.64 billion), to provide electricity to around 40 million un-electrified households in the country.
- The Government of India and the Government of Portugal have signed 11 bilateral agreements in areas of outer space, double taxation, and nano technology, among others, which will help in strengthening the economic ties between the two countries.



- India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 436- 467 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

Exchange Rate Used: INR 1 = US\$ 0.0156 as on December 29, 2017

About FDI in India

Introduction

Apart from being a critical driver of economic growth, foreign direct investment (FDI) is a major source of non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of relatively lower wages, special investment privileges such as tax exemptions, etc. For a country where foreign investments are being made, it also means achieving technical know-how and generating employment.

The Indian government's favourable policy regime and robust business environment have ensured that foreign capital keeps flowing into the country. The government has taken many initiatives in recent years such as relaxing FDI norms across sectors such as defence, PSU oil refineries, telecom, power exchanges, and stock exchanges, among others.

Market size

According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments in India during April-September 2017 stood at US\$ 33.75 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results.

Data for April-September 2017 indicates that the telecommunications sector attracted the highest FDI equity inflow of US\$ 6.08 billion, followed by computer software and hardware – US\$ 3.05 billion and services – US\$ 2.92 billion. Most recently, the total FDI equity inflows for the month of September 2017 touched US\$ 2.12 billion.

During April-September 2017, India received the maximum FDI equity inflows from Mauritius (US\$ 11.47 billion), followed by Singapore (US\$ 5.29 billion), Netherlands (US\$ 1.95 billion), USA (US\$ 1.33 billion), and Germany (US\$ 934 million).

Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.

Investments/ developments

India has become the fastest growing investment region for foreign investors in 2016, led by an increase in investments in real estate and infrastructure sectors from Canada, according to a report by KPMG. Some of the recent significant FDI announcements are as follows:



- In September 2017, 15 Japanese companies including Moresco, Toyoda Gosei, Topre and Murakami, signed memorandums of understanding (MoUs) with an intention to invest in the state of Gujarat.
- Singapore's Temasek will acquire a 16 per cent stake worth Rs 1,000 crore (US\$ 156.16 million) in Bengaluru based private healthcare network Manipal Hospitals which runs a hospital chain of around 5,000 beds.
- France-based energy firm, Engie SA and Dubai-based private equity (PE) firm Abraaj Group have entered into a partnership for setting up a wind power platform in India.
- US-based footwear company, Skechers, is planning to add 400-500 more exclusive outlets in India over the next five years and also to launch its apparel and accessories collection in India.
- The government has approved five Foreign Direct Investment (FDI) proposals from Oppo Mobiles India, Louis Vuitton Malletier, Chumbak Design, Daniel Wellington AB and Actoserba Active Wholesale Pvt Ltd, according to Department of Industrial Policy and Promotion (DIPP).
- Cumulative equity foreign direct investment (FDI) inflows in India increased 40 per cent to reach US\$ 114.4 billion between FY 2015-16 and FY 2016-17, as against US\$ 81.8 billion between FY 2011-12 and FY 2013-14.
- Walmart India Pvt Ltd, the Indian arm of the largest global retailer, is planning to set up 30 new stores in India over the coming three years.
- US-based ecommerce giant, Amazon, has invested about US\$ 1 billion in its Indian arm so far in 2017, taking its total investment in its business in India to US\$ 2.7 billion.
- Kathmandu based conglomerate, CG Group is looking to invest Rs 1,000 crore (US\$ 155.97 million) in India by 2020 in its food and beverage business, stated Mr Varun Choudhary, Executive Director, CG Corp Global.
- International Finance Corporation (IFC), the investment arm of the World Bank Group, is planning to invest about US\$ 6 billion through 2022 in several sustainable and renewable energy programmes in India.
- Warburg Pincus, a Private Equity firm based in New York, has invested US\$ 100 million in CleanMax Solar, a rooftop solar development firm, which will be utilised to fund growth opportunities outside India and to improve product offerings.
- Morganfield Group, a Malaysian restaurant and bar chain, is planning to enter India by launching three of its brands, Morganfield's, Mocktail Bar and Snackz It, by the end of 2017. The company expects to open 250 outlets in India over the next five years.
- SAIC Motor Corporation is planning to enter India's automobile market and begin operations in 2019 by setting up a fully-owned car manufacturing facility in India.
- Toronto-based Canada Pension Plan Investment Board (CPPIB) made investments worth Rs 9,120 crore (US\$ 1.41 billion) in India during FY 2016-17, taking their total investment in India to Rs 22,560 crore (US\$ 3.50 billion).
- SoftBank is planning to invest its new US\$ 100 billion technology fund in market leaders in each market segment in India as it seeks to begin its third round of investments.
- The Government's Make in India campaign has attracted investment across sectors from various Chinese companies, as is evident from cumulative Foreign Direct Investment (FDI) inflows of Rs 9,933.87 crore (US\$ 1.54 billion) between 2014 and December 2016.

Government Initiatives

The Department of Industrial Policy and Promotion (DIPP) approved nine Foreign Direct Investments (FDIs) worth Rs 5,000 crore (US\$ 780.43 million), including Amazon India's Rs 3,500 crore (US\$ 546.3 million) proposed investment.

In September 2017, the Government of India asked the states to focus on strengthening single window clearance system for fast-tracking approval processes, in order to increase Japanese investments in India.

The Ministry of Commerce and Industry, Government of India has eased the approval mechanism for foreign direct investment (FDI) proposals by doing away with the approval of Department of Revenue and mandating clearance of all proposals requiring approval within 10 weeks after the receipt of application.

The Department of Economic Affairs, Government of India, closed three foreign direct investment (FDI) proposals leading to a total foreign investment worth Rs 24.56 crore (US\$ 3.80 million) in October 2017.



Ideal Systems Limited

India and Japan have joined hands for infrastructure development in India's north-eastern states and are also setting up an India-Japan Coordination Forum for Development of North East to undertake strategic infrastructure projects in the northeast.

The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.

The Central Board of Direct Taxes (CBDT) has exempted employee stock options (ESOPs), foreign direct investment (FDI) and court-approved transactions from the long term capital gains (LTCG) tax, under the Finance Act 2017.

The Union Cabinet has approved raising of bonds worth Rs 2,360 crore (US\$ 365.63 million) by the Indian Renewable Energy Development Agency (IREDA), which will be used in various renewable energy projects in FY 2017-18.

The Government of India is likely to allow 100 per cent foreign direct investment (FDI) in cash and ATM management companies, since they are not required to comply with the Private Securities Agencies Regulations Act (PSARA).

The Government of India plans to scrap the Foreign Investment Promotion Board (FIPB), which would enable the foreign investment proposals requiring government approval to be cleared by the ministries concerned, and thereby improve the ease of doing business in the country.

Road ahead

India has become the most attractive emerging market for global partners (GP) investment for the coming 12 months, as per a recent market attractiveness survey conducted by Emerging Market Private Equity Association (EMPEA).

The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.

Exchange Rate Used: INR 1 = US\$ 0.01552 as on November 30, 2017.

References: Media Reports, Press Releases, Press Information Bureau, Press Trust of India
<https://www.ibef.org>

Overview of our Industry

Information Technology Industry

Introduction to Information Technology/Information Technology Enabled Services (IT-ITeS)

India is the world's largest sourcing destination for the Information Technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The IT industry has more than 16,000 firms; of which 1,000+ are large firms with ~ 50 delivery locations in India. The industry employs about 10 million workforce. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centers in India.

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



The IT-BPM sector which is currently valued at US\$ 143 billion is expected to grow at a Compound Annual Growth Rate (CAGR) of 8.3 per cent year-on-year to US\$ 143 billion for 2015-16. The sector is expected to contribute 9.5 per cent of India’s Gross Domestic Product (GDP) and more than 45 per cent in total services export in 2015-16. (Source: indiainbusiness.nic.in) (Source: www.makeinindia.com/sector/it-and-bpm)

Market Size

The Indian IT sector is expected to grow at a rate of 12-14 per cent for FY2016-17 in constant currency terms. The sector is also expected triple its current annual revenue to reach US\$ 350 billion by FY 2025. India ranks third among global start-up ecosystems with more than 4,200 start-ups. India’s internet economy is expected to touch Rs 10 trillion (US\$ 146.72 billion) by 2018, accounting for 5 per cent of the country’s GDP. India’s internet user base reached over 400 million by May 2016, the third largest in the world, while the number of social media users grew to 143 million by April 2015 and smart phones grew to 160 million.

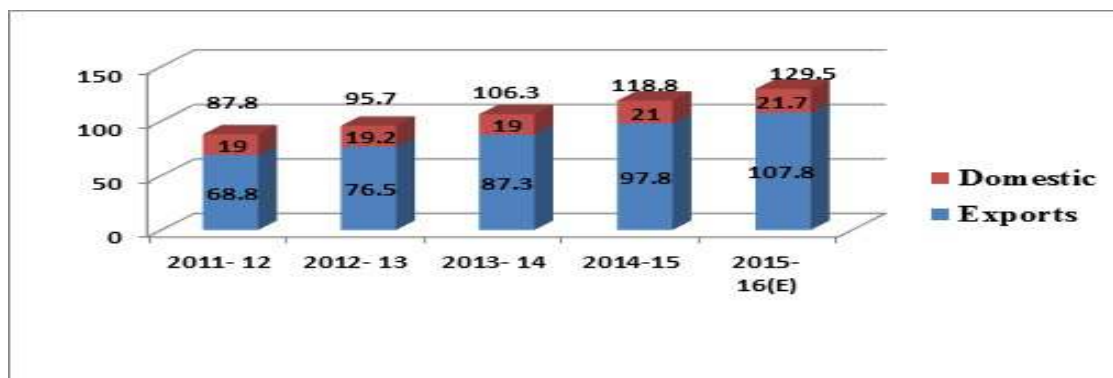
Public cloud services revenue in India is expected to reach US\$ 1.26 billion in 2016, growing by 30.4 per cent year-on-year (y-o-y). The public cloud market alone in the country was estimated to treble to US\$ 1.9 billion by 2018 from US\$ 638 million in 2014. Increased penetration of internet (including in rural areas) and rapid emergence of e-commerce are the main drivers for continued growth of data centre co-location and hosting market in India. The Indian Healthcare Information Technology (IT) market is valued at US\$ 1 billion currently and is expected to grow 1.5 times by 2020. India's business to business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2020 whereas the business to consumer (B2C) e-commerce market is expected to reach US\$ 102 billion by 2020. (Source: <http://indiainbusiness.nic.in/>)

Revenue Generated by India IT-ITES

As shown in figure, Indian IT-ITES industry revenue is estimated at USD 129.5 billion in FY2015-16 as compare to USD 118.8 billion in FY2014-15, registering an increase of around 9.0%. The overall industry’s growth of this sector over the last five years is given in the table below.

IT – ITeS Industry Revenue Trends (in USD billion)						
Year/ Description	2011- 12	2012- 13	2013- 14	2014- 15	2015- 16(E)	CAGR % (2011-16)
Exports	68.8	76.5	87.3	97.8	107.8	12.81
Domestic	19.0	19.2	19.0	21.0	21.7	4.64
Total	87.8	95.7	106.3	118.8	129.5	11.16

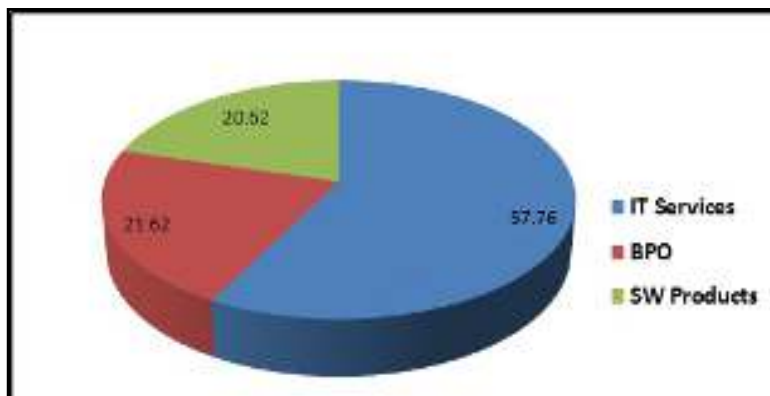
Source: www.meity.gov.in; E: Estimate





The Segment wise Export Revenue Trends in IT & ITES Industry is as follows:

Year/ Segment	2011- 12	2012- 13	2013- 14	2014-15	2015-16(E)	CAGR (2011-16)	%
IT Service	39.9	42.9	49.2	55.3	61.0	12.73	
ITeS-BPO	15.9	18.3	20.4	22.5	24.4	11.43	
Software Products, Engineering Services, R&D	13.0	15.3	17.7	20.0	22.4	14.46	
Total IT-ITeS	68.8	76.5	87.3	97.8	107.8	12.81	



The IT Services exports accounts for the largest share of 57.76 %; BPO exports contributing 21.62 % followed by ER&D

and software products that together account for 20.62%. (Source: www.meity.gov.in)

IT-BPO Revenue Share

Investments

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 32.23 billion between April 2000 to June 2018, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Leading Indian IT firms like Infosys, Wipro, TCS and Tech Mahindra, are diversifying their offerings and showcasing leading ideas in blockchain, artificial intelligence to clients using innovation hubs, research and development centres, in order to create differentiated offerings.

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

- Nasscom has launched an online platform which is aimed at up-skilling over 2 million technology professionals and skilling another 2 million potential employees and students.
- Revenue growth in the BFSI vertical stood at 10.3 per cent y-o-y in the first quarter of 2018-19.
- As of March 2018, there were over 1,140 GICs operating out of India.
- Private Equity (PE)/Venture Capital (VC) investments in India's IT & ITeS sector reached US\$ 7.6 billion during April-December 2017.

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 21.02 billion between April 2000 and March 2016, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Indian start-ups are estimated to have raised US\$ 1.4 billion across 307 deals in quarter ending March 2016. (Source: <http://indianbusiness.nic.in/>)



Road Ahead

India is the topmost off shoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Export revenue of the industry is expected to grow 7-9 per cent year-on-year to US\$ 135-137 billion in FY19. The industry is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue.

Exchange Rate Used: INR 1 = US\$ 0.0149 as of Q1 FY19

(Source: Media Reports, Press Information Bureau (PIB), Department of Industrial Policy and Promotion (DIPP) statistics, Department of Information and Technology, Union Budget 2017-18



OUR BUSINESS

Business Overview

We are provider of complete IT Solutions and believe that we are a modest I.T. related service provider based in India offering a wide range of Software services focused on Customer satisfaction. We offer the knowledge engine that powers our main range of software which is also capable of powering e-commerce web site solutions, providing data-driven web sites that use the same business rules as your main systems.

We specialize in providing pioneering mega ‘e-Governance’ Projects of Govt. of India, Govt. of Gujarat, Govt. of Rajasthan, Govt. of U.P along with USA, Belgium. We provide services software migration, multimedia design & development, application development & maintenance, web designing, digitization of engineering drawings, and search engine optimization. We also offer strategy and technology implementation services to companies wanting to optimize or re-engineer their existing business using N-tier architecture and latest technological tools for software development, web designing and web development for the global image building for your company with multimedia animation.

We offer network solutions and resource management services to give complete new look and best performing company look to the clients. We cater to industry sector like Healthcare, Insurance, Pharmaceutical and chemical, Fertilizer Corporate, e-Governance, Diamond Trade- ERP for diamond /jewellery Trade, etc. have big few we served in recent years and as a result of persistence, it has come out as a symbol of quality and assurance in Software development and execution.

We predominantly operate in the major cities of India and overseas. We believe that we are a fast growing company focused on E-Governance Project Management, Education Industries, Healthcare Management, Insurance Industries, Office Automation and Customized ERP, etc. with growth in consolidated revenue from operations. Additionally we are also one of the esteemed vendors of Government. We are serving wide range of Industries by offering customized ERP solutions for the firm looking for best solution for their complex processes and MIS functions. We have also achieved expertise in Office Automation and E-Governance solution for the Public Administration Local Bodies of Governments. Today’s highly connected global business world is utilizing information on the strong foundations of high-performance software and timely information is essential for critical decision-making and determines success in the business world. We focus on Knowledge management, Enterprise integration, and Technological migration to the web-base or best-suitable platform.

As of August 31, 2018, our work force consisted of 22 people as full time employees. We adhere to international best practices standards and are committed in developing our services where quality assurance is systematic process of checking to see whether our service being developed is meeting specified requirements. We have in house capabilities to ensure high quality standards. We have received an ISO 9001:2015 by Director, AQC Middle East FZE vide number 18IQBY28 for the Software & Web Development, BPO/KPO Activities (Scanning, Data Entry, Digitization & conversion into Document Management System, Data Processing) Content Creation, E-Governance Application, Technical Support & Training Service Provider, Manpower Recruitment & Supply Service and IT Enable Services & Resource Provider and ISO 27001:2013 certification for our quality management system by Director, AQC Middle East FZE vide number 18IQBY28 for Software & Web Development, BPO/KPO Activities (Scanning, Data Entry, Digitization & conversion into Document Management System, Data Processing) Content Creation, E-Governance Application, Technical Support & Training Service Provider, Manpower Recruitment & Supply Service and IT Enable Services & Resource Provider and also awarded Certification of Registration for CMMI Maturity Level 3 by UK Certification & Inspection Limited. We have a separate department devoted to quality assurance and believe that can adhere to best practices of the clients associated with us. We believe and practice the motto that the software should be cost effective at a same time it should give maximum performance, scalability and efficiency. We utilize the power of latest software tools and IT by developing feasible and easy to use customer oriented software that can satisfy their needs.

We have seen growth under the vision, leadership and guidance of our promoter Mr. Ketan Shah. His knowledge and experience in our industry has enabled us to grow and manage our business in an efficient manner. For further details of our promoters, please refer chapter titled “Promoters and Promoter group” on page [●] of this Draft Prospectus.



Our restated total income for the Fiscal ended March 31, 2016, 2017 and 2018 was Rs. 3183.20 Lakhs, Rs. 3930.32 Lakhs and Rs. 3414.30 Lakhs. Our restated profit after tax for the Fiscal ended March 31, 2016, 2017 and 2018 was Rs. 72.09 Lakhs, Rs. 41.80 Lakhs and Rs. 92.47 Lakhs.

Some of our ongoing/completed prestigious government projects:

- ❖ RUIFDCO – e-Nagar Mitra Project Govt. of Rajasthan
- ❖ TSTSP Project – e-Gram Vishwa Gram Project, Panchayat Department, Govt. of Gujarat, consortium partner with CMC/ TCS Ltd.
- ❖ Inspector General of Registrar, Govt of Gujarat, - Data Entry, Scanning and registration of Govt. documents.
- ❖ Gujarat State Fertilizer & Chemicals Ltd. (G S F C) - ERP System
- ❖ 38 Different Nagar Palika Bodies of Government of Gujarat through all India Institute of Local Self Government under E-Governance Mega Project of computerization of Government of Gujarat
- ❖ Narmada Chematur Petrochemicals Ltd. Bharuch – Data migration work
- ❖ Oil & Natural Gas Corporation Ltd. (ONGC) - Well Logging System
- ❖ Commissioner of Higher Education, Govt Of Gujarat, through iNDEXTb a GOVT. OF GUJARAT Enterprise – MIS System for different part of education department.
- ❖ Centre for Entrepreneur Development, Govt. of Gujarat, through iNDEXTb a GOVT. OF GUJARAT Enterprise – Web Based MIS system for Registry and Training centers.
- ❖ iNDEXTb a GOVT. OF GUJARAT Enterprise – Soil Health Card preparation work & MSME Census Project, e-Governance project.
- ❖ Tourism Corporation Of Gujarat Ltd.(Gujarat Tourism) – Transportation System
- ❖ Ghaziabad Development Authority, Ghaziabad, U. P. : Scanning and digitization of property records and development of Document Management System
- ❖ Kanpur Development Authority, U. P. : Scanning and digitization of property records and development of Document Management System
- ❖ Meeruth Development Authority, U. P. : Scanning and digitization of property records and development of Document Management System

Our Competitive Strengths

We believe the following are our competitive strength:

- ***Rich experience of our Promoters and senior management team***

Our Promoter Mr. Ketan Shah has been involved in the business and have an extensive experience in the business and industry. Our management has more than 20 years of experience and executed various projects in government, corporate having strong credentials and have domain expertise. Under their leadership, we have achieved phenomenal business growth and business transformation since our incorporation. Our Promoter's strong relationships with our suppliers and other industry participants have been instrumental in implementing our growth strategies. Our Promoter is actively involved in our operations and bring to our Company his vision and leadership which we believe has been instrumental in sustaining our business operations. Our management team also includes professionals with extensive experience in the industry as well as finance and marketing. We have domain expertise in E-governance, healthcare, digitization and



education. We believe that we have highly skilled management and team to run our Company in very effective way for all our future endeavours.

➤ ***Brand value***

We believe that our reputation as to offer the most reasonable price for our work. We offer with our authentic product range and customer support. We are receiving good response from our customers to offer high quality within their budget. We offer end to end customer service and support. We also believe that our established brand and reputation will enable us to obtain more clientele list, pursuant to which we may build our brand.

➤ ***Wide Product Range***

Our Company is provider of complete IT solutions and is focused on E-Governance Project Management, Education Industries, Healthcare Management, Insurance Industries, Office Automation and Customized ERP, etc. with growth in consolidated revenue from operations. Additionally, we are also one of the esteemed vendors of Government. We are serving wide range of Industries by offering customized ERP solutions for the firm looking for best solution for their complex processes and MIS functions. We have also achieved expertise in Office Automation and E-Governance solution for the Public Administration Local Bodies of Governments. We believe that our Product portfolio is such that which cater lot of segments and which can be easily scalable in India and abroad market.

➤ ***Focus on Quality Standards***

Our Company believes in providing quality products to its customers and for that follows Indian as well as International quality standards for our products. Our Company is certified for quality Management System with ISO 9001:2015 and ISO 27001:2013 certification for our quality management system and also awarded CMM- level III. We have a separate department devoted to quality assurance with highly equipped standard room carrying all measuring equipments with latest technology. This has benefited our process significantly in terms of reducing wastage and enabling us to demand a premium for our products. The quality checks ensure that no defective material reached the customer and ensure reduced process rejection and reduced machine down time. We believe that our quality products have earned us a goodwill from our customers, which has resulted in customer retention and order repetition also new addition to the customer base.

Our Strategies

We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

➤ ***Leveraging our existing client relationship to grow business from existing, repeat and new clients***

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

➤ ***Increasing geographical presence***

We are currently located in Gujarat. Going forward the company plans to expand its presence in the other geographical areas as we intend to expand E- governance business in various other state. Our emphasis is on expanding operation, which we believe will provide attractive opportunities to grow our customer base, revenues, brand visibility and acceptance. Also, we intend to expand our business to various under developed countries. We seek to selectively expand our global presence to enhance our ability to service clients. We plan to accomplish this by visiting targeted geography and establishing new sales and marketing offices, representative offices to increase our geographical reach.



➤ **Focus on New Service offerings enabled through Innovation and Use of portals**

We plan to expand our service offerings as and when there exists an opportunity. We understand that the use of technology is still at very nascent stage and has great potential for development leading to value addition in the entire value chain. We propose to gain expertise in every new technology platform coming up in the market for value added services, cost-competitiveness, speed and easy to use. We intend to launch health portal to reach to the last citizen of our Country. We forecast that there is a huge requirement to launch education portal for effective administration of colleges an university and requirement to launch various e commerce and mobile application which is un-mined potential lying in our domestic market, which is still under tapped by leaders of Information technology and leading software players. Our company proposes to use innovative ideas and concepts to achieve performance parameters set by the clients in their day-to-day business processes. We believe that the trend of offshore information technology consulting work by software and service companies in the Europe will result in increased business opportunity.

➤ **Optimal Utilization of Resources**

Our Company constantly endeavors to improve our service process, skill up-gradation of our professional, using latest technology in machineries to optimize the utilization of resources. We intend to continue investing in physical and technological infrastructure to support our growing worldwide development and sales operations and to increase our productivity. To enhance our ability to hire and successfully deploy increasingly greater numbers of technology professionals, we intend to continue investing in recruiting, training and maintaining a challenging and rewarding work environment.

Our Services:

We offer strategy and technology implementation services to companies wanting to optimize or re-engineer their existing business. Using N-tier architecture and latest technological tools for software development, web designing and web development for the global image building for your company with multimedia animation. We also offer network solutions and resource management services to give complete new look and best performing company look to your firm. The knowledge engine that powers our main range of software are also capable of powering e-commerce web site solutions, providing data-driven web sites that use the same business rules as your main systems. Our domain expertise is E-Governance Project Management, Education Industries, Healthcare Management, Insurance Industries, Office Automation and Customized ERP.

Our Featured Services:

Sr. No.	Particulars	Description	Areas we cover:
1.	Software Development	<p>Our knowledge base includes an in-depth understanding of e-commerce, e-knowledge-ware, and function of industries. The best option of offshore web development & outsourcing centre with best value for money, our programming solutions includes ASP programming, PHP programming, Java programming or web programming with data base development in MySQL, MS-SQL, Ms-Access, Oracle with the latest technology.</p> <p>We offers web based software programming with high service level, competitive prices, wide range of services, Timely project implementation, high degree of confidentiality, very simple module for customer interaction & constant working resource availability.</p>	<ul style="list-style-type: none"> ✓ Client/Server Application ✓ Multi-tier Application ✓ Web Application ✓ Office Automation ✓ Database Migration



2.	Business Process Outsourcing	<p>We offer world-class offshore outsourcing and consulting services specializing in IT-enabled services, back office outsourcing services and business process outsourcing solutions from India guaranteed to cut costs and improve quality.</p> <p>Availability of highly qualified skill pool and faster adoption of well-defined business processes leads to higher productivity gains without compromising on quality.</p> <p>We offer the satisfaction that comes from working with a technologically sound business partner who is committed to continually investing in people, processes, infrastructure and facilities, ensuring the highest levels of performance. We are committed to building scalable and repeatable business solutions ensuring customer success.</p>	<ul style="list-style-type: none"> ✓ Claim Processing ✓ Claim Registration ✓ Claim Adjudication ✓ Medical Transcription ✓ Tax Return Filing ✓ Account Audit ✓ Legal Transcription
3.	Web Design / Development	<p>Business driven website consisting of strategic planning, market research, standard operating practice, Search Engine friendly copy writing, unique graphic design etc. Every company is unique and therefore each design we create has to reflect the client's business requirements and unique characteristics. We treat every Client individually, lay great stress on your needs & make you stand out from others. A good design reinforces your message and delivers it with more impact and to do so our team has to follow closely the fresh ideas with novel approaches. We apply cutting edge technologies in order to keep up the highest standard in quality & creativity.</p> <p>Our aim is to keep design professional, clear and crisp, easy to navigate and quick to download. It is the design that captures the browser's attention and it is the content and functionality that keeps the attention. Elegant, original, creative, web site designing & development. Web interface, striking a balance between web site graphics & text, corporate logo design, web site interface design, banner design all executed with finesse, employing the latest multimedia tools.</p>	<ul style="list-style-type: none"> ✓ Web Design/Developing ✓ Graphics Designing ✓ Logo Designing ✓ Brochure Designing ✓ Print Designing ✓ Flash Presentation
4.	E-Business Solutions	<p>Your time is precious. Don't waste it on hit-or-miss or outdated marketing methods or surfing for data collection. To a large extent, companies are more interested in the power of an idea that can boost their business. E-biz is the thought of a worldwide business audience. It can be certainly ego rush, and yet many companies continue for an audience of few but cannot generate your revenue. Most companies think less about what the e-biz solutions can do for them. Can you get immediate access to a top exec? Provide a customer to talk? What about metrics? Your E-biz solutions should do all this, which we are doing.</p>	<ul style="list-style-type: none"> ✓ B2C ✓ B2B ✓ Intranet Solution ✓ Portal



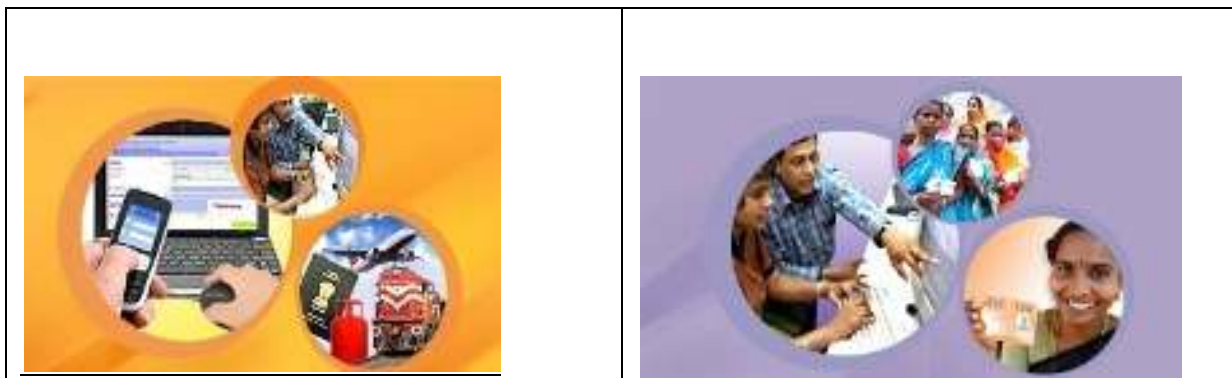
5.	Multimedia / Animation	<p>Big Organizations require to represents company's corporate identity, product features, product education and service manual. In all this cases the Multimedia CD Presentation, Advertising and Media Presentation can be the answer. We give surety of low cost & high talented representation and create the great results whether it's electronic brochure, animation, point of purchase presentations, video editing, 2D/3D modeling, special FX Animation etc. for advertisement. Paperless offices concept also means paperless presentations. Multimedia CD Presentation is the most effective way to do the marketing for your product, service or corporate identity.</p> <p>We include 2D/3D animation, moving pictures, flash images, voice-over, music, video with theme base creativity. We have knowledgeable team who does in-depth analysis of company goal, strategic business plan & their targeted audience. We offers 3D architecture modeling Multimedia project from start to end including theme development, 3D animation, design, programming, sound, voice-over, everything about multimedia.</p>	<ul style="list-style-type: none"> ✓ CD Presentation ✓ 3D Animation ✓ 3D Modeling ✓ Special FX Animation ✓ Editing ✓ Advertising Presentation ✓ Media Presentation
6.	Networking Solutions	<p>"Networks have become the backbone for information flow within an organization." ISPL offers wide range of Technologies that include standard-based solutions from plant information to local control networks and complete enterprise integration.</p> <p>Our solutions deliver an Industrial Strength Network that meets customers business and information objectives, based on a multi-strategy approach. Complexities of technology planning are separated into three distinct, strategic areas: Information, Technology, and Infrastructure. ISPL 's network service offers the commitment of single-source solutions that meet your demanding environment, safety, access, and security needs.</p>	<ul style="list-style-type: none"> ✓ Lan/Man Networking ✓ Wan/Can/Networking ✓ Router & V-sat Installation ✓ Maintaining Leased & ISDN ✓ Wireless Networking ✓ Maintenance /Contracts
7.	Resource Management	<p>Do you feel that most planning software lacks flexibility, is too complicated and rather expensive? If this is what you think, you should have a closer look at our resource Management e-solutions.</p> <p>Virtually all Global 2000 enterprises employ state of the art development and data management tools. Many have attempted to standardize on focused methodologies. However, an increasing number of leading edge companies are realizing that this is not enough. In fact, they need to manage their people, product portfolios and commitments with the same rigor and system support that they apply to the rest of their operation. In other words, we have to manage in best possible way our available resources methodically.</p>	

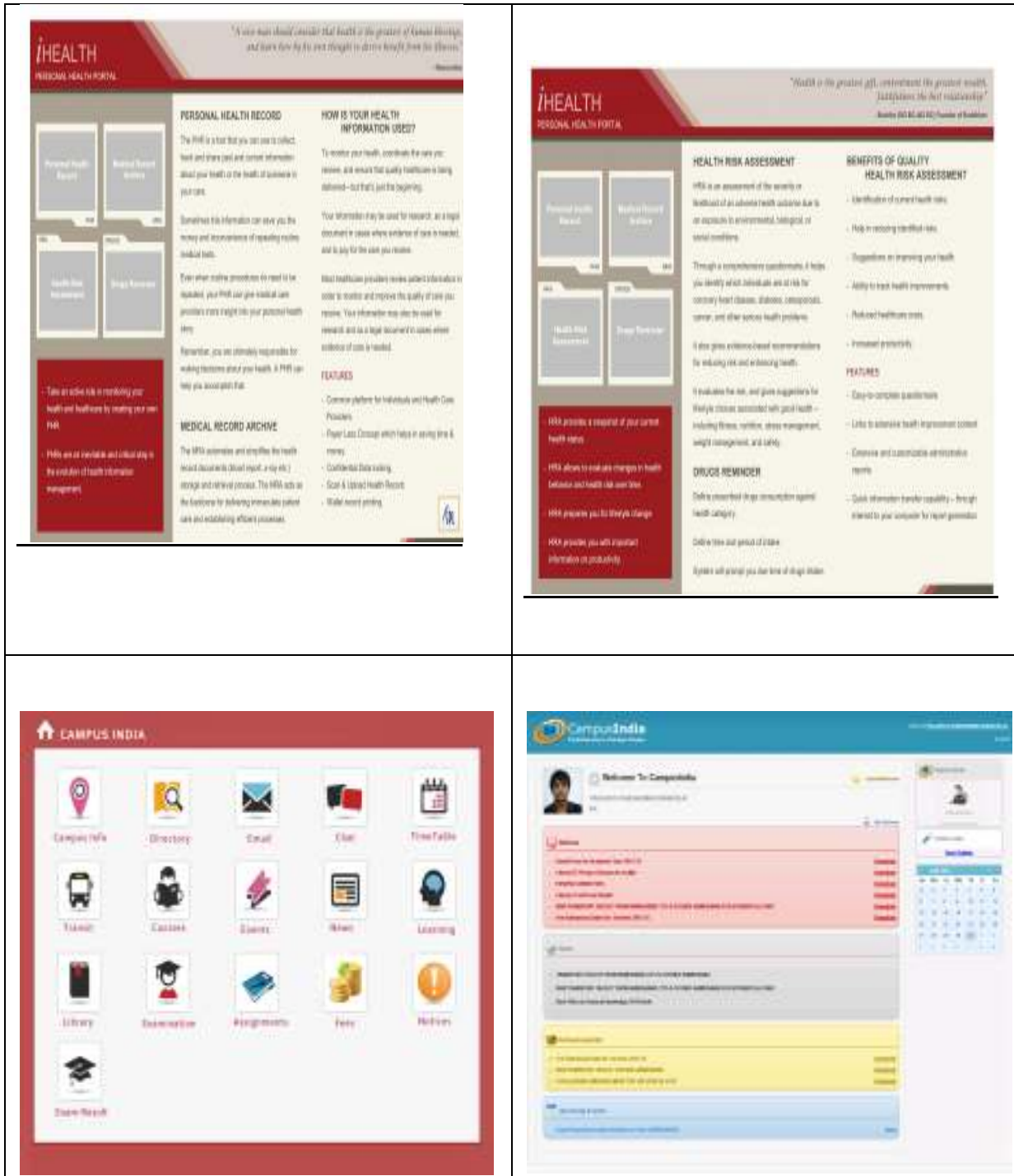


Range of our Expertise:

Programming Languages	VB, VC++, Java, C, C++
Markup Languages	XML, HTML, DHTML
Development Tools	Sybase Studio, MS Visual Studio Developer 2000, Front Page 2000
Web Servers	MS-IIS, Java Web Server, Apache, JRUN, TomCat
Middleware	COM / DCOM, Corba, RMI
Component Development	Using Visual Studio (ActiveX), J2EE (EJB) JDK (Java Beans)
Server-side Scripting	Active Server Pages (ASP), Java Server Pages (JSP)
Reporting Tool	Seagate Crystal Reports
Database	Oracle, MS-SQL, MYSQL, MSQL
Scripting	Java Script, Jscript, VBScript, PerlScript
Multi Media	Adobe Photoshop, Flash, Dreamweaver, Director, Corel Draw, 3D Studio MAX,

Major Programmes developed by our Company:





Major Projects:

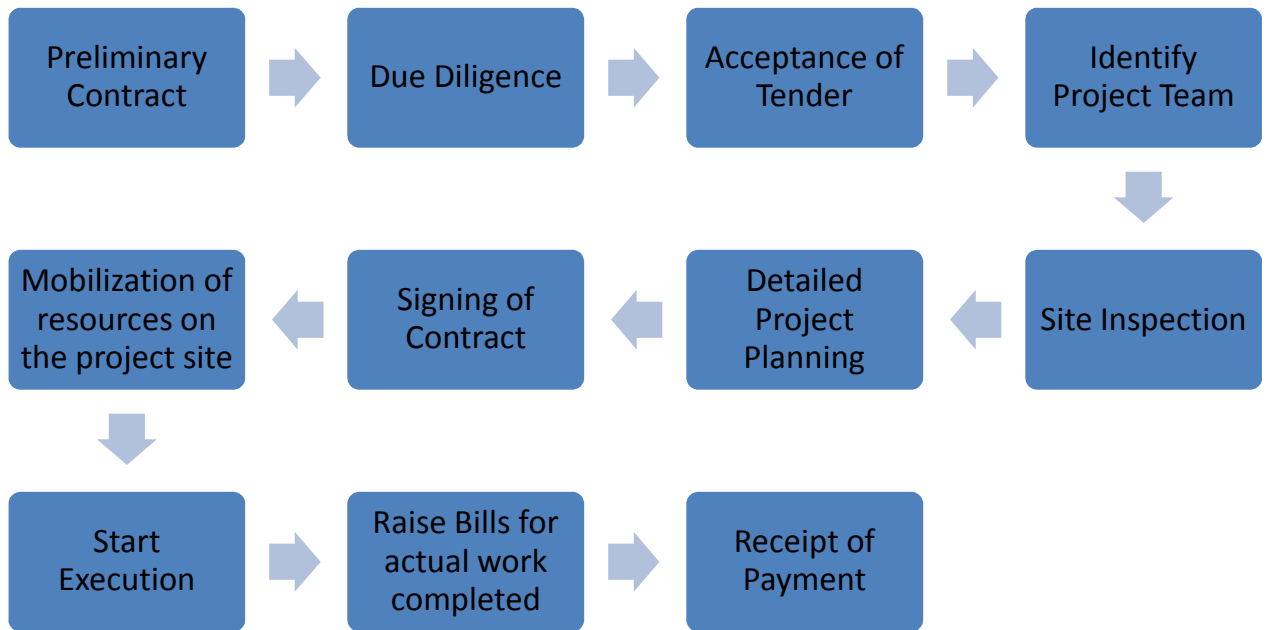
- Rajasthan Urban Infrastructure Finance & Development Corporation Ltd. (RUIFDCO)-ISPL had entered with RUIFDCO in regards to the e-Nagar Mitra Project Govt. of Rajasthan where company had created website for them.
- Oil & Natural Gas Corporation Ltd. (ONGC)- Execution of Technical Support
- Gujarat State Fertilizers & Chemicals Ltd- Customized ERP Solution -Software is developed in Sybase Power builder, EA Server, Oracle 9i
- Govt. of Gujarat- E-governance Of 40 Nagar Palikas of Gujarat
- General administration, certification/ licensing, taxation, accounts, solid waste management (SWM) and complaint redress for water supply, street lighting and other public services



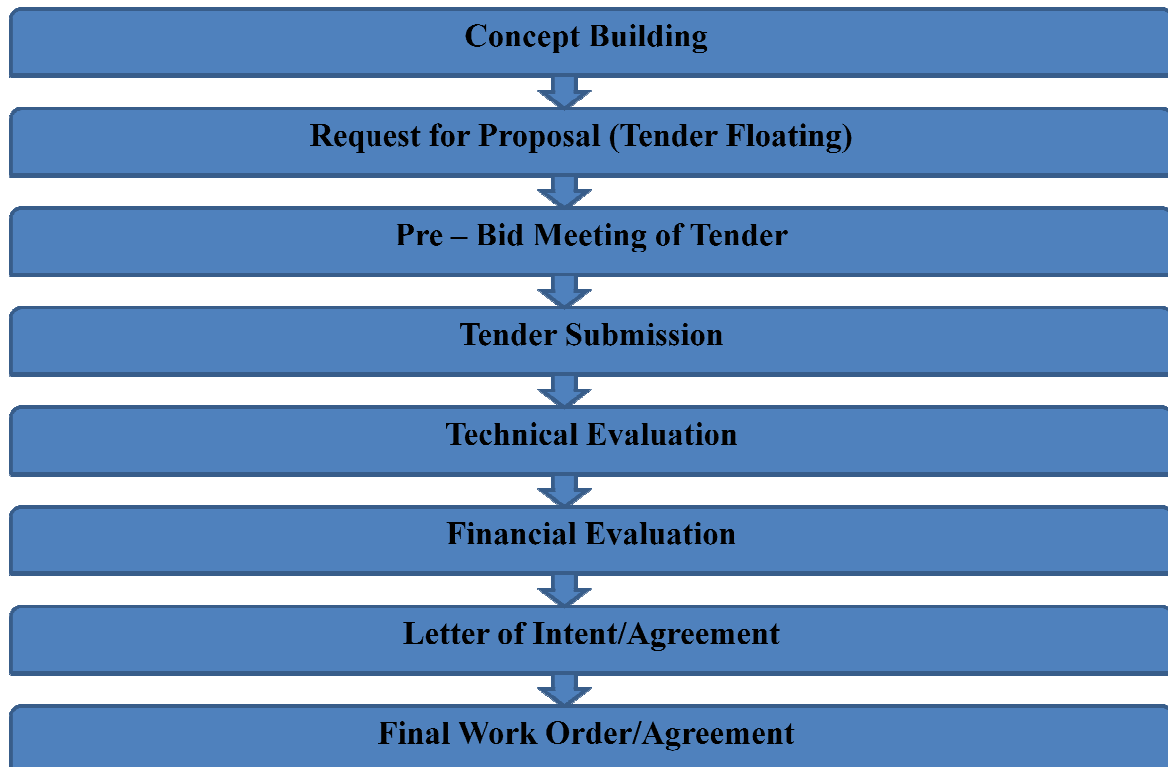
- **I.T.I. Ltd. (Government of India) in Ahmedabad e-gram Panchayat** -Execution of Technical Support and Training Service Providers (TSTSP) from Panchayat Department (Government of Gujarat). Web based solution for infrastructure management and working at e-gram Panchayat
- **iNDEXTb - Industrial Extension Bureau (Government of Gujarat Enterprise)**
MSME System Recruitment System for Office of Tribal Development Commissioner and Education Department
 - Software Development of General Registry Module for Center for Entrepreneurship Development (CED)
 - Preparation of Report for 10% Sample Survey of MSME Units
 - Software Development work for Kasturba Gandhi Balika Vidyalaya (KGBV)
 - Development & Implementation of Office Automation Software for Commissioner of Higher Education
 - Web Based application for Skill Development MIS for CED
 - Software Development and Data Processing for Recruitment of Asst. Teachers, Lecturer & Sr. Lecturer
- **Ghaziabad Development Authority, Ghaziabad / U.P. ,**
- **Kanpur Development Authority, Kanpur / U.P. ,**
- **Meerut Development Authority, Meerut / U.P.,**
- **Uttar Pradesh Development Systems Corpn. Ltd.**
- **Document Scanning Project : Scanning and converting them into PDF of Property documents**

Business Process

We enter into contracts primarily through a competitive bidding process, which often requires a prequalification process especially in the public sector. Before a tender is submitted, we perform preliminary due diligence at the proposed project site. Once the tender is accepted by the client, it is converted into a letter of intent, and project manager and the project team are identified. Detailed project planning occurs to estimate resources, cost of completion and profitability. Once all of these items are determined and after final negotiations, a contract is signed with the client. Resources are then mobilized at the project site and execution of work is started. Work begins when the client hands over the site, plans and drawings to our on-site team. The project execution work is carried out as per the plan and the on-going requirements of the client. The Bill is raised for the actual work completed and duly measured, and after certification by the client, the bill is paid by the client as per the contract term and conditions, after reaching the threshold limit of the agreed level of the preparatory work or the completion of Work. The actual cost of the work done and the revised estimates of the cost to complete the remaining work are carried out every quarter. The quality control and safety, health and environment efforts at the site offices are further supplemented by the efforts from the zonal or branch office and the head office by way of technical audits and quality audits as to cost and time parameters as well as client satisfaction. A process flow Chart showing description of our Business process is ascribed as under:

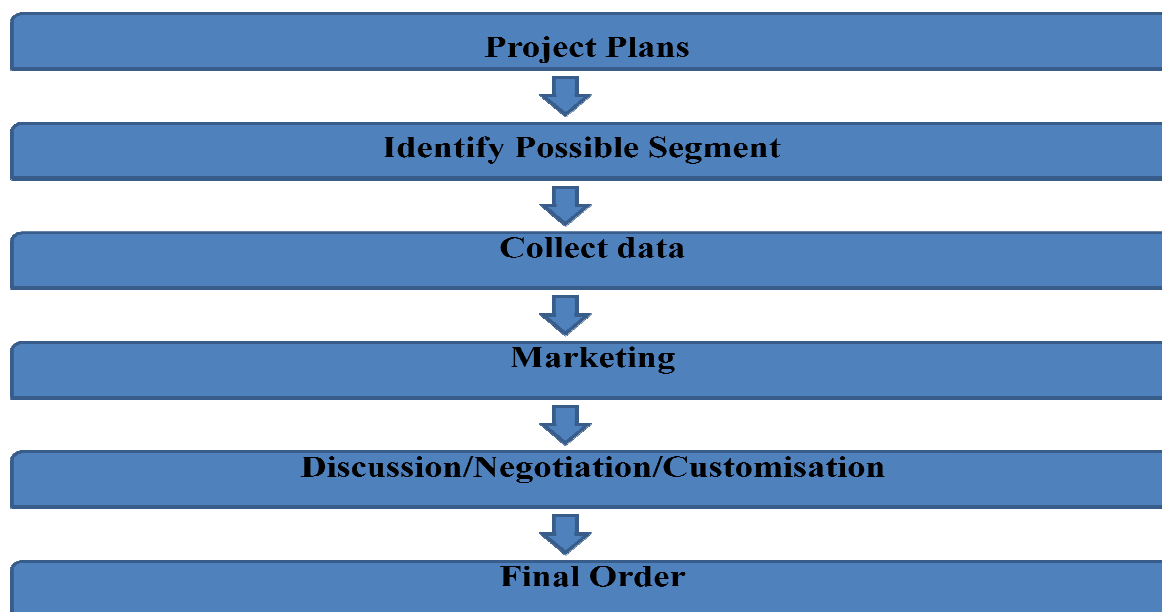


Government Tender Process Flow





Other Process Flow



Collaborations/tie ups/ joint ventures

Our Company does not have Collaboration/Tie Ups/ Joint Ventures as on the date of this Draft Prospectus.

Sales and marketing

Our products are sold by our own internal sales organizations. Marketing is an important function of our organisation. We avail both direct and indirect channels of sales for selling and marketing our products.

Marketing Strategy

Our marketing strategy is targeted at gaining new business from target customers, increasing market awareness of our brand and services, selling our services to existing customers and promoting repeat business from existing customers. Our business development team is actively focused on business development and marketing activities headed by an experienced Sales Head supported by Business Manager and technical team. Our goal is to build enduring relationships with both existing and new clients. With existing clients, we aim to expand the nature and scope of our engagements by increasing the size and number of projects and extending the breadth of our service offerings. For new clients, we seek to provide value added solutions by leveraging our in-depth industry expertise and expanding the breadth of services offered to them beyond those in the initial engagement. We manage first-time engagements by educating clients about the offshore model, taking on smaller projects to minimize client risk and demonstrating our superior execution capabilities. We plan to increase our recurring business with clients by providing software re-engineering, maintenance, infrastructure management and business process management services, which are long-term in nature and require frequent client interaction. We intend to continue to develop alliances that complement our core competencies. Our alliance strategy is targeted at partnering with leading technology providers, which allows us to take advantage of emerging technologies in a mutually beneficial and cost-competitive manner. We seek to selectively expand our global presence to enhance our ability to service clients.

Competition

We face competition from our competitors. We continuously take measure to reduce our procurement, production and distribution costs and improve our operational efficiencies. We believe our true competition is with the unorganized sector and with more stringent laws, we expect the situation to improve in future. In current dynamic business environment which is filled with rapid change of technology, government policies, mounting competitive threats and



constant new entrants into market, makes it challenging to sustain and handle the intricacies and provide competitive solutions to its clients. We face competition from domestic and international Companies. We foresee this competition to continue to grow as the demand for software development solutions increases. Further we believe that our competition also depends on several factors which include currency fluctuations, changing business framework, information technology policies, difficult to retain skilled staff etc.

Plant & Machinery

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

Export Obligation

As on the date, we do not have any export obligation.

Human Resource

We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees. We view this process as a necessary tool to maximize the performance of our employees.

As on date our employee strength includes 22 employees, on pay roll in various locations.

Insurance

We maintain adequate insurance policies in respect of our business, operations, products and for our moveable properties. We have obtained policy number 2130/01001210/000/01 for Fire insurance, Standard Fire and Special Perils Policy in respect of the stocks of goods, raw material and office equipments in our registered office.

Properties

The following properties are owned/leased by our Company

Sr. No.	Property Description	Date and Nature of agreement	Owned/Rented
1.	Registered Office: 4th Floor H.N House Nidhi Complex, Nr. Under Bridge Stadium, Five Roads, Navarangpura, Ahmedabad- 380009	Title Deed	Owned

Intellectual Property

The Company does not have any Intellectual Property registered in its name.



KEY INDUSTRY REGULATIONS AND POLICIES

The following descriptions are a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. For details of Government Approvals obtained by the Company in compliance with these regulations, see section titled “Government and Other Approvals” beginning on page 213 of this Draft Prospectus.

- **INDUSTRY SPECIFIC REGULATIONS**

- ❖ **Information Technology Act, 2000 (The “Information Technology Act”)**

The Information Technology Act was enacted with the purpose of providing legal recognition to electronic transactions. In addition to providing for the recognition of electronic records, creating a mechanism for the authentication of electronic documentation through digital signatures. It also provides for civil and criminal liability including fines and imprisonment for various computer related offenses which include offenses relating to unauthorized access to computer systems, modifying the contents of such computer systems without authorization, damaging computer systems, the unauthorized disclosure of confidential information and computer fraud. The Information Technology (Amendment) Act, 2008, which came into force on October 27, 2009, amended the IT Act and inter alia gives recognition to contracts concluded through electronic means, creates liability for failure to protect sensitive personal data and gives protection to intermediaries in respect of third party information liability.

- ❖ **The Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011**

The Department of Information Technology under the Ministry of Communications & Information Technology, Government of India notified the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011 in respect of section 43A of the Information Technology Act, 2000. The said rules are dealing with the protection of sensitive personal data or information and the security practices and procedures to be followed.

- ❖ **Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 (“Compulsory Registration Order”)**

The Compulsory Registration Order mandates that the manufacturing, storage, import, sale or distribution of goods which do not meet the specified standard and/or bear a self-declaration confirming conformance to relevant Indian Standard is prohibited. The only exception is for those goods which are manufactured for export. Further, any sub-standard or defective goods must be deformed beyond use by the manufacturer and disposed of as scrap. The Compulsory Registration Order is issued by the Department of Electronics and Information Technology, Ministry of Communication and Information Technology, Government of India (“DEIT”).

- ❖ **Information Technology (Intermediaries guidelines) Rules, 2011**

The Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not host, publish, transmit or share any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it. Further, the Department of Personnel and Training under the Ministry of Personnel, Public Grievances and Pensions, Government of India has proposed to introduce a new legal framework that would balance national interest with concerns of privacy, data protection and security.

- **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

- ❖ **Gujarat Industrial Policy 2015**

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common



man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by way of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSME scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures, Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support will be provided to each cluster for every innovative technology, setting up R&D Institutions, setting new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents.

Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on —Zero Defectl to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one's products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis.

❖ **Bombay Shops and Establishments Act, 1948 (the “Bombay Shops Act”)**

The Bombay Shops Act is also applicable to the state of Gujarat and provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Bombay Shops Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn function under the supervision of Labour Commissioner. State of Gujarat has notified the Gujarat Shops and Establishments Rules, 1963 under the Bombay Shops Act.

❖ **Gujarat Stamp Act, 1958 (the “Stamp Act”)**

The purpose of Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

❖ **Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.



➤ **LAWS RELATING TO INTELLECTUAL PROPERTY**

❖ **Trademarks Act, 1999 (“Trademarks Act”)**

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

TAXATION LAWS

❖ **Income-Tax Act, 1961**

The Income-tax Act, 1961 (“IT Act”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

❖ **Central Goods and Services Tax Act, 2017 (the "GST Act")**

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combine the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST will be levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India will adopt a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax, therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

❖ **Customs Act, 1962 (the “Customs Act”)**

The Customs Act governs among other things, the import and export of goods, determination of rate of duty, tariff valuation, the manner of payment to authorities, and loading and unloading of goods. The Customs Act also provides for levy of penalty and/or confiscation of prohibited or dutiable goods. The duties imposed on the import and export of goods are subject to rates specified under the Customs Tariff Act, 1975. Further, pursuant to the Customs Act, the Department of Customs appoints ports or airports as customs ports or customs airports and places as Inland Container Depots (ICDs).

❖ **Foreign Trade (Development and Regulation) Act, 1992**

Foreign Trade Act empowers the Government of India to, among other things, (a) make provisions for development and regulation of foreign trade; (b) prohibit, restrict or otherwise regulate exports and imports; (c) formulate an EXIM policy; and (d) appoint a Director General of Foreign Trade for the purpose of administering foreign trade and advising the Central Government in formulating EXIM policy and implementing the same. Every importer and exporter is required to obtain an ‘Importer Exporter Code’ from the Director General of Foreign Trade or from any other duly authorized officer.

❖ **Foreign Trade Policy**

The Foreign Trade Policy provides that no export or import can be made by a person without an IEC unless such person is specifically exempted. The policy provides for fast track clearance facility for certain units, and



permits the sharing of infrastructure facilities, inter unit transfer of goods and services, setting up of warehouses near the port of export and the use of duty free equipment for training purposes.

❖ **Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder.**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”), as amended from time to time to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

ENVIRONMENTAL LEGISLATIONS

The Environment Protection Act, 1986 (“Environment Protection Act”)

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central Government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the Central Government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

E-Waste (Management) Rules, 2016

The Ministry of Environment, Forest and Climate Change notified the E-Waste Management Rules, 2016 ("Rules") on 23 March 2016 in supersession of the e-waste (Management & Handling) Rules, 2011. These rules shall apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, refurbishers, dismantlers and recyclers involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment (EEE) as listed in the Schedules of the Rules, including their components, consumables and spare parts which make the product operational. Under the Rules, Extended Producer Responsibility (EPR) is the responsibility of every producer of electrical and electronic equipment (EEE) for channelisation of e-waste to an authorised dismantler / recycler to ensure environmentally sound management of such waste

✓ **IMPORTANT GENERAL LAWS**

❖ **Micro, Small and Medium Enterprises Development Act, 2006 (the “MSMED Act”)**

The MSMED Act seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides that where an enterprise is engaged in providing or rendering services pertaining to any industry, the classification of an enterprise will be as follows:

- a. where the investment in equipment does not exceed ten lakh rupees; shall be regarded as a micro enterprise;
- b. where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees shall be regarded as a small enterprise.
- c. where the investment in equipment is more than two crore rupees but does not exceed five crore rupees shall be regarded as a medium enterprise.



The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority.

The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council ('Council'). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

❖ **Sale of Goods Act, 1930**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

❖ **Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

❖ **OTHER GENERAL LAWS**

Companies Act, 2013

Indian Contract Act, 1872

Consumer Protection Act, 1986

Payment of Bonus Act, 1965 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 "SHWW Act")

Equal Remuneration Act, 1976

Maternity Benefit Act, 1961

Negotiable Instruments Act, 1881



OUR HISTORY AND CERTAIN CORPORATE MATTERS

HISTORY AND BACKGROUND

Our Company was originally incorporated as Ideal Systems Private Limited on November 29, 1996 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Ahmedabad Gujarat. Thereafter, our Company was converted from Private Limited to Public Company. A fresh certificate of incorporation consequent upon change of name was issued on September 11, 2018 by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U30007GJ1996PLC031197. The Registered Office of the Company is situated at 4th Floor H N House (Nidhi Complex) Near Under Bridge Stadium Five Roads Navrangpura, Ahmedabad -380009, Gujarat, India

CORPORATE PROFILE OF OUR COMPANY

For information on our Company's business profile, activities, services, managerial competence, and customers, see chapters titled "Our Management", "Our Business" and "Industry Overview" beginning on pages 103, 83 and 73, respectively.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY SINCE INCORPORATION

There have been following changes to our Registered Office since incorporation:

Date	From	To
March 21, 1998	2/A, Raipur Society, Opposite DDM School, Kankari, Ahmedabad, Gujarat	Ashwamegha Complex, 2 nd Floor Bhuvan, Kankari, Ahmedabad, Gujarat
July 12, 2002	Ashwamegha Complex, 2 nd Floor Bhuvan, Kankari, Ahmedabad, Gujarat	4th Floor H N House (Nidhi Complex) Near Under Bridge Stadium, Five Roads Navrangpura, Ahmedabad - 380009

KEY MILESTONES AND MAJOR EVENTS

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Date	Key Milestones
November 29, 1996	Incorporation of Company
September 11, 2018	Conversion of Private company into Public Limited Company

MAIN OBJECTS UNDER THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY

The main objects as set forth in the Memorandum of Association of our Company are as follows:

To manufacture, design, develop, sell, provide, equip, supply, import from other Countries, export to other Countries, furnish, undertake, install, erect, commission, test and stock Computer, Communication Software, Hardware and Computer Peripherals for commercial applications like accounting, inventory, production planning, management information systems, documentation and such others, office automation applications, scientific applications, engineering applications, technical applications, communications, data base publishers, local area networking, wide area networking, computer aided designing, computer aided manufacturing, computer aided engineering, desk top publishing multimedia, shop floor computerization, process control, computerized numerical control systems, graphical animations, animated films, using computers banking, insurance, transport, professionals for storage, retrieval, analysis, reproduction of various media filing of drawings, photographs, correspondence, records and such other applications and such other subjects for local and export market.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY

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

Sl. No.	Date of Amendment	Nature of Amendment
1.	March 30, 2002	Alteration of the Capital Clause: Clause V of the MoA was amended to reflect the increase in authorized capital from Rs.5,00,000/- comprising of 50,000 Equity Shares of Rs.10/- each to Rs.15,00,000/- comprising of 1,50,000 Equity Shares of Rs.10/- each.



2.	October 05, 2006	Alteration of the Capital Clause: Clause V of the MoA was amended to reflect the increase in authorized capital from Rs. 15,00,000/- comprising of 1,50,000 Equity Shares of `10 each to `1,00,00,000/- comprising of 10,00,000 Equity Shares of Rs.10/- each.
3.	March 25, 2010	Alteration of the Capital Clause: Clause V of the MoA was amended to reflect the increase in authorized capital from Rs.1,00,00,000/- comprising of 10,00,000 Equity Shares of Rs.10/- each to Rs.4,00,00,000/- comprising of 40,00,000 Equity Shares of Rs.10/- each.
4.	August 27, 2018	Alteration of the Name Clause: Conversion from Private Limited Company to Public Limited Company Adoption of New MOA Pursuant to the Ordinary resolution passed by our Shareholders on August 27, 2018, in Annual General Meeting the Authorised Share Capital was increased from `4,00,00,000 comprising of 40,00,000 Equity Shares of `10 each to `22,00,00,000 comprising of 2,20,00,000 Equity Shares of `10 each

Amendments to the Articles of Association of our Company

Sl. No.	Date of Amendment	Nature of Amendment
1.	March 30, 2002	Alteration of the Capital Clause: Increase in authorized capital from Rs.5,00,000/- comprising of 50,000 Equity Shares of Rs.10/- each to Rs.15,00,000/- comprising of 1,50,000 Equity Shares of Rs.10/- each.
2.	October 05, 2006	Alteration of the Capital Clause: Increase in authorized capital from Rs. 15,00,000/- comprising of 1,50,000 Equity Shares of `10 each to `1,00,00,000/- comprising of 10,00,000 Equity Shares of Rs.10/- each.
3.	March 25, 2010	Alteration of the Capital Clause: Increase in authorized capital from Rs.1,00,00,000/- comprising of 10,00,000 Equity Shares of Rs.10/- each to Rs.4,00,00,000/- comprising of 40,00,000 Equity Shares of Rs.10/- each.
4.	August 27, 2018	Alteration of the Name Clause: Conversion from Private Limited Company to Public Limited Company Adoption of New AOA Pursuant to the Ordinary resolution passed by our Shareholders on August 27, 2018, in Annual General Meeting the Authorised Share Capital was increased from `4,00,00,000 comprising of 40,00,000 Equity Shares of `10 each to `22,00,00,000 comprising of 2,20,00,000 Equity Shares of `10 each

OTHER DETAILS REGARDING OUR COMPANY

For information on our activities, services, products, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled “**Our Business**”, “**Industry Overview**” and “**Management’s Discussion and Analysis of Financial Conditions and Results of Operations**” beginning on pages 83, 73 and 199 respectively of this Draft Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “**Our Management**” and “**Capital Structure**” beginning on pages 103 and 47 respectively of this Draft Prospectus.

TECHNOLOGY, MARKET COMPETENCE AND CAPACITY BUILD-UP

For details on the technology, market competence and capacity build-up of our Company, please see the chapter titled “**Our Business**” beginning on page 83 of this Draft Prospectus.



RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT

For details regarding our capital raising activities through equity and debt, please see the section entitled “**Capital Structure**” on pages 47 respectively.

TIME AND COST OVERRUN IN SETTING-UP OF PROJECTS INCLUDING THE PROPOSED PROJECT

There have been no significant time and cost overruns in the development or construction of any of our projects or establishments.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS AND CONVERSION OF LOANS INTO EQUITY

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

STRIKES AND LOCK-OUTS

There have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order.

CHANGES IN THE ACTIVITIES OF OUR COMPANY

There have been no changes in the activities of our Company during the last five years preceding the date of this Draft Prospectus which may have had a material effect on our profit or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

SHAREHOLDERS OF OUR COMPANY

As on the date of this Draft Prospectus, our Company has 10 (Ten) shareholders. For further details in relation to the current shareholding pattern, please refer to section titled “**Capital Structure**” beginning on page 47 of this Draft Prospectus.

HOLDING COMPANY

Aysa Infosoft Limited is our holding company as on the date of this Draft Prospectus.

OUR SUBSIDIARY(IES) OF OUR COMPANY

As on the date of this Draft Prospectus, our Company has no subsidiary company.

SHAREHOLDERS AGREEMENTS

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

MATERIAL AGREEMENTS

There are no material agreements or contracts, which have been entered into by our Company within a period of two years prior to the date of the Draft Prospectus, which are not in the ordinary course of business.

STRATEGIC PARTNERS

Our Company does not have any strategic partners as on the date of this Draft Prospectus.

FINANCIAL PARTNERS

Our Company does not have any financial partners.



OUR MANAGEMENT

As per The Companies Act, 2013, Board to have at least 3 (three) Directors and not more than 15 (fifteen) Directors. As on the date of the Draft Prospectus, our Board comprises of 5 (five) Directors including one woman director.

The following table sets forth details regarding the Board of Directors as on the date of this Draft Prospectus:

BOARD OF DIRECTORS

Currently, our Company has 5 (five) Directors out of which 3 (Three) are Non-Executive- Independent Directors. The following table sets forth details regarding the Board of Directors as on the date of this Draft Prospectus:

Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Nationality	Age	Other Directorships as on the date of this Draft Prospectus
<p>Mr. Ketan Nalinkant Shah</p> <p>Father's Name: Mr. Nalinkant S Shah</p> <p>Nature of Directorship: Managing Director</p> <p>Residential Address: 1 Riddhi Siddhi Apt. Mahalaxmi Society, Nr. Mahalaxmi Cross Road, Paldi, Ahmedabad, Gujarat, India</p> <p>Date of Birth: June 15, 1969</p> <p>Date of Appointment: November 29, 1996 (1st Director)</p> <p>Re-appointed as MD w.e.f August 27, 2018</p> <p>Term: Five years with effect from August 27, 2018</p> <p>Occupation: Business</p> <p>DIN: 00913411</p>	Indian	49	<p>Public Limited Entities: Asya Infosoft Limited</p> <p>Private Limited Entities: Nil</p> <p>Foreign Entities: Nil</p> <p>Partnerships/Limited Liability Partnerships: Mark Infotech</p> <p>Hindu Undivided Families: Nil</p> <p>Trusteeships: Nil</p>
<p>Mr. Jimit Ketan Shah</p> <p>Father's Name: Mr. Ketan Nalinkant Shah</p> <p>Nature of Directorship: Whole Time Director</p> <p>Residential Address: 1 Riddhi Siddhi Apt. Mahalaxmi Society, Nr. Mahalaxmi Cross Road, Paldi, Ahmedabad, Gujarat</p>	Indian	23	<p>Public Limited Entities: Nil</p> <p>Private Limited Entities: Nil</p> <p>Foreign Entities: NIL</p> <p>Partnerships/Limited Liability Partnerships:</p>



<p>Date of Birth: May 19, 1995</p> <p>Date of Appointment: August 27, 2018</p> <p>Term: Five years with effect from August 27, 2018</p> <p>Occupation: Business</p> <p>DIN: 08043932</p>			<p>Nil</p> <p>Hindu Undivided Families:</p> <p>Nil</p> <p>Trusteeships:</p> <p>Nil</p>
<p>Mr. Dhavalbhai Pravinbhai Patel</p> <p>Father's Name: Mr. Pravinnhai Parshottambhai Patel</p> <p>Nature of Directorship: Non Executive and Independent Director</p> <p>Residential Address: C-16, Bhavani Society, Nr. Mithikui, Dholka-382225, Ahmedabad, Gujarat, India</p> <p>Date of Birth: August 09, 1992</p> <p>Date of Appointment: August 1, 2018</p> <p>Term: 5 Years</p> <p>Occupation: Company Secretary</p> <p>DIN: 07770039</p>	<p>Indian</p>	<p>26</p>	<p>Public Limited Entities:</p> <p>Asya Infosoft Limited</p> <p>Private Limited Entities:</p> <p>Nil</p> <p>Foreign Entities:</p> <p>Nil</p> <p>Partnerships/Limited Liability Partnerships:</p> <p>Nil</p> <p>Hindu Undivided Families:</p> <p>Nil</p> <p>Trusteeships:</p> <p>Nil</p>



<p>Mr. Safalkumar H. Patel</p> <p>Father's Name: Mr. Hasmukhbhai Somabhai Patel</p> <p>Nature of Directorship: Non-Executive and Independent Director</p> <p>Residential Address: Plot No.325/4, Shriyash Society, Sector: 22, Gandhinagar-382022, Gujarat</p> <p>Date of Birth: March 20, 1993</p> <p>Date of Appointment: August 29, 2018</p> <p>Term: 5 Years</p> <p>Occupation: Business</p> <p>DIN: 08107710</p>	Indian	25	<p>Public Limited Entities:</p> <p>Asya Infosoft Limited</p> <p>Private Limited Entities:</p> <p>Nil</p> <p>Foreign Entities:</p> <p>NIL</p> <p>Partnerships/Limited Liability Partnerships:</p> <p>Nil</p> <p>Hindu Undivided Families:</p> <p>Nil</p> <p>Trusteeships:</p> <p>Nil</p>
<p>Ms. Kairavi Dimpalbhai Doshi</p> <p>Father's Name: Mr. Dimpalbhai Himmatbhai Doshi</p> <p>Nature of Directorship: Non-Executive and Independent Director</p> <p>Residential Address: 17/188, Poojan Apartment, Jivraj Road, Jivraj hospital vasna, Ahmedabad-380007, Gujarat</p> <p>Date of Birth: August 17, 1995</p> <p>Date of Appointment: August 29, 2018</p> <p>Term: 5 Years</p> <p>Occupation: Business</p> <p>DIN: 08206886</p>	Indian	23	<p>Public Limited Entities:</p> <p>Nil</p> <p>Private Limited Entities:</p> <p>Nil</p> <p>Foreign Entities:</p> <p>NIL</p> <p>Partnerships/Limited Liability Partnerships:</p> <p>Nil</p> <p>Hindu Undivided Families:</p> <p>Nil</p> <p>Trusteeships:</p> <p>Nil</p>

Family Relationships between the Directors

Except following, none of the directors of our Company have family relationships:

Sr. No.	Name	Name	Nature of Relationship
1	Mr. Ketan Nalinkant Shah	Mr. Jimit Ketan Shah	Father
2	Mr. Jimit Ketan Shah	Mr. Ketan Nalinkant Shah	Son

Note: As on the date of this Draft Prospectus:

1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date.



2. Our Holding Company Asya Infosoft Limited was suspended for trading from August 24, 2015 to December 01, 2015 in which we have common directors.

None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

3. Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital markets by SEBI.
4. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

Brief Biographies of the Directors

1. Mr. Ketan Nalinkant Shah aged 49 years, the Managing Director of the Company is associated as Director since incorporation and appointed on November 29, 1996. He obtained a degree of Bachelor in Engineering (Computer) from D.D.I.T Gujarat University, Nadiad, India in 1991. He has an experience of more than 25 years in this business. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company. He is instrumental in taking major policy decision of our Company. He assesses the principal risks of our Company and ensures that these risks are being monitored and managed.
2. Mr. Jimit Ketan Shah aged 23 years is the CFO and Whole time Director of our Company. He holds Bachelor in Commerce from HLIC Ahmedabad University, Ahmedabad India in 2015 and completed his Chartered accountancy studies in the year 2016. He has a wide experience starting from Audit to Amalgamation. Further he is well versed with Companies Act, 2013, Income Tax Act, Insolvency Act, He is responsible for companies legal and finance matters. He had worked as Chartered Accountant in one of the leading chartered accountancy firm based in Ahmedabad.
3. Mr. Dhavalbhai Pravinbhai Patel aged 26 years, is the Non Executive and Independent Director of our Company and joined recently on August 01, 2018. He holds Bachelor in Commerce & Law from Gujarat University and he is associate member of ICSI. He has a wide experience Proficient in compliance of SEBI, Stock Exchange, ROC & other related regulatory authorities. He is Company Secretary having 2 year experience in corporate laws, fund raising (Equity) & corporate affairs with various corporate.
4. Mr. Safalkumar H. Patel aged 25 years, is Non-Executive and Independent Director of the Company since August 27, 2018. He holds Bachelor in Commerce & Law from Gujarat University. He is skilled in Operational and Management excellence.
5. Ms. Kairavi Dimpalbai Doshi aged 23 years, is Independent Director of the Company since August 27, 2018. She holds Bachelor in Commerce & Law from Gujarat University. She is also play a role of Women Director in the Company. She is also having knowledge of Companies Law matter.

Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Draft Prospectus.



Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

Common directorships of the Directors in companies whose shares are/were suspended from trading on the Stock Exchanges for a period beginning from five (5) years prior to the date of this Draft Prospectus

Our Holding Company Asya Infsoft Limited was suspended for trading in BSE from August 24, 2015 to December 01, 2015 in which we have common directors.

Director's association with the Securities Market

None of the Directors of our Company are associated with securities market.

Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

Except for the details mentioned under section titled "Other Regulatory and Statutory Disclosures" beginning on page 216 of this Draft Prospectus, none of the Directors are/ were directors of any entity whose shares were delisted from any Stock Exchange(s).

Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

Borrowing Powers of the Board

The Articles, subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 authorized the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a special resolution passed at the Annual General Meeting held on August 27, 2018, in accordance with Section 180(1)(c) of the Companies Act, 2013 authorized the Board to borrow monies from time to time, such sums of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing (apart from the temporary loans taken from the company's bankers) shall not exceed ` 100 Crore.

Remuneration to Executive Directors

The compensation payable to our Executive Director will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force)

Particulars	Remuneration to Mr. Ketan Nalinkant Shah	Remuneration to Mr. Jimit Ketan Shah
Basic Salary	Rs. 2.00 Lakhs Per Month which is eligible for revision from time to time.	Rs. 1.00 Lakhs Per Month which is eligible for revision from time to time.
Other Benefits	Annual performance incentive as may be decided by the Board/Committee of the Board, subject to a ceiling of 500% of salary.	Annual performance incentive as may be decided by the Board/Committee of the Board, subject to a ceiling of 500% of salary.
Designation	Managing Director	Whole Time Director and CFO
Appointment as a Director	Five (5) years with effect from August 27, 2018.	Five (5) years with effect from August 27, 2018.
Remuneration paid for F.Y. 2017-2018	Rs. 9.60 Lakh	Nil



Payment or benefit to Non-Executive Directors of our Company

Apart from the remuneration of our Executive Directors as provided under the heading “Compensation to Executive Directors” above, our Non-Executive Directors are entitled to be paid a sitting fee up to the limits prescribed by the Companies Act, 2013 and the Rules made there under and actual travel, boarding and lodging expenses for attending the Board or Committee meetings. They may also be paid commissions and any other amounts as may be decided by the Company in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

REMUNERATION PAID TO THE BOARD OF DIRECTORS DURING THE LAST FINANCIAL YEAR 2017-18.

Name of Director	Remuneration	Sitting Fees	Total
Mr. Ketan Nalinkant Shah	Rs. 9.60 lakh	NIL	Rs.9.60 lakh per annum
Mr. Jimit Ketan Shah	Nil	NIL	Nil
Total	Rs. 9.60 lakh per annum	NIL	Rs. 9.60 lakh per annum

Shareholding of Directors in our Company

The details of the shareholding of our Directors as on the date of this Draft Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1.	Mr. Ketan Nalinkant Shah	7,01,100	4.95%	3.22%
2.	Mr. Jimit Ketan Shah	9,19,500	6.49%	4.22%
Total			16,20,600	11.44%

Interests of our Directors

Interest of Directors in the promotion of our Company

Except Mr. Ketan Nalinkant Shah and Mr. Jimit Ketan Shah, who are in our Promoter group, none of our Directors are interested in the promotion of our Company other than in the ordinary course of our business.

Interest as member of our Company

Further, except as disclosed under sub-section ‘Shareholding of Directors in our Company’ above, none of our Directors hold any Equity Shares or any other form of securities in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Interest as Creditor of our Company

As on the date of this Draft Prospectus, our Company has availed loans from the Directors of our Company. For further details, please refer to section titled “**Financial Statements**” beginning on page 128 of this Draft Prospectus.

Interest in the properties of our Company

Except as stated under the paragraph titled ‘Immovable Property’ under the chapter titled “**Our Business**” and under the paragraph titled ‘Interest of Promoters’ under the chapter titled “**Our Promoters and Promoter Group**” beginning on pages 83 and 117 respectively of the Draft Prospectus, our Directors do not have any interest in any property acquired by our Company in the preceding two years from the date of the Draft Prospectus or in any property proposed to be acquired by our Company.



All of the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

Our Directors may be deemed to be interested to the extent of the remuneration paid to them or services rendered as a Director of our Company and reimbursement of expenses payable to them. For further details, please refer to sub-section “Remuneration to Executive & Non-Executive Directors” above.

Further, except as disclosed in “**Our History and Certain Corporate Matters**”, none of our Directors have any interest in any property acquired by our Company within two (2) years of the date of this Draft Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building. Further, except as disclosed under sub-section “Shareholding of Directors in our Company” above, none of our Directors hold any Equity Shares, Preference Shares or any other form of securities in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors,

Except as stated below, none of our directors are associated with our subsidiary:

Other than as stated above and except as stated in the sections titled “**Financial Information**” and “**Our Promoters and Promoter Group**” beginning on pages 128 and 117 respectively of this Draft Prospectus, our Directors do not have any other interest in the business of our Company.

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

None of the relatives of our Directors have been appointed to a place or office of profit in our Company. For further details, please refer to section titled “**Our Management**” – Remuneration to Executive Directors beginning on page 103 of this Draft Prospectus.

Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Except as stated in this section “**Our Management**” or the section titled “**Financial Information - Related Party Transactions**” beginning on pages 103, 128 respectively of this Draft Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

Changes in our Company’s Board of Directors during the last three (3) years

The changes in the Board of Directors of our Company in the last three (3) years are as follows:

Sl. No.	Name of the Director	Date of Appointment/ change/ cessation	Reason
1	Mr. Ketan Nalinkant Shah	August 27, 2018	Appointment as Managing Director
2	Mr. Jimit Ketan Shah	August 27, 2018	Appointment of Executive Director and CFO
3	Mr. Dhavalbhai Pravinbhai Patel	August 01, 2018	Appointment of Independent Director
4	Mr. Safalkumar Hasmukhbhai Patel	August 29, 2018	Appointment of Independent Director
5	Ms. Kairavi Dimpalbhavi Doshi	August 29, 2018	Appointment of Independent Director
6	Mr. Sandip Rajnikant Shah	March 31, 2018	Resignation of Executive Director
7	Mrs. Hemal Ketan Shah	May 25, 2018	Resignation of Executive Director

COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 read with the rules made there under, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be not applicable to our Company as listing of our Company’s Equity Shares on the SME Platform of BSE Limited. However we have voluntarily complying the same, the requirements pertaining to the Composition of the Board of Directors and the



constitution of the Committees such as the Audit Committee, Stakeholder's Relationship Committee and Nomination & Remuneration Committees have been complied with.

Our Board of Directors consists of 5 (five) Directors out of which 3 (Three) are Non-Executive- Independent Directors (as defined under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) including 1 (one) Woman Director, which is in compliance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our Company has constituted the following committees:

Audit Committee

Our Company has formed the Audit Committee vide Resolution passed in the Meeting of Board of Directors dated August 29, 2018 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's equity shares on SME Platform of BSE Limited. The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Ms. Kairavi Dimpalbhai Doshi	Chairman	Non-Executive-Independent Director
Mr. Dhavalbhai Pravinbhai Patel	Member	Non-Executive-Independent Director
Mr. Safalkumar H. Patel	Member	Non-Executive-Independent Director
Mr. Jimit Ketan Shah	Member	Whole Time Director and CFO

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. Tenure: The Audit Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee: The Committee shall meet at least four (4) times in a year and not more than one hundred twenty (120) days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the Committee, whichever is higher but there shall be presence of minimum two Independent Directors at each meeting.

C. Role and Powers: The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

- i. Recommendation for appointment, remuneration and terms of appointment of Internal and Statutory Auditors' of the Company;
- ii. Review and monitoring of the Auditors' independence and performance, and effectiveness of the Audit process;
- iii. Review and examination of the, the quarterly, half yearly and yearly financial statements and report of the Auditors' thereon;
- iv. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that financial information are correct, sufficient and credible;
- v. Reviewing, with the management, 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 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;



- g. Qualifications in the audit report;
- vi. Approval or any subsequent modification of transaction of the Company with the related parties;
 - vii. Scrutiny of Inter corporate loans and investments;
 - viii. Valuation of the undertakings or assets of the Company, wherever it is necessary;
 - ix. 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;
 - x. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
 - xi. 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;
 - xii. 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.;
 - xiii. To recommend and review the functioning of the vigil mechanism/ Whistle Blower mechanism;
 - xiv. To recommend the 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;
 - xv. To obtain outside legal or other professional advice wherever required;
 - xvi. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's equity shares on SME Platform of BSE Limited vide Resolution dated August 29, 2018. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Ms. Kairavi Dimpalbhai Doshi	Chairman	Non-Executive-Independent Director
Mr. Dhavalbhai Pravinbhai Patel	Member	Non-Executive-Independent Director
Mr. Safalkumar H. Patel	Member	Non-Executive-Independent Director
Mr. Ketan Shah	Member	Whole Time Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. **Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. **Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be minimum two (2) members, out of which at least one (1) shall be an independent director.
- C. **Scope and Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
 - i. To ensure effective and efficient system for transfer, transmission, dematerialization, re-materialization, splitting and consolidation of shares and other securities;



Ideal Systems Limited

- ii. To ensure effective and efficient system for time attendance and resolution to the grievances of all securities holders of the Company and resolve all the grievances of securities holders of the Company;
- iii. To monitoring the transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by the Company;
- iv. To issue of duplicate / split / consolidated share and other securities certificates;
- v. To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers;
- vi. To attend to any other responsibility as may be entrusted by the Board within the terms of reference

Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's equity shares on SME Platform of BSE Limited vide Resolution dated August 29, 2018. The Nomination and Remuneration Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Ms. Kairavi Dimpalbhair Doshi	Chairman	Non-Executive-Independent Director
Mr. Dhavalbhair Pravinbhair Patel	Member	Non-Executive-Independent Director
Mr. Safalkumar H. Patel	Member	Non-Executive-Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

A. Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings: The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

C. Scope and Terms of Reference:

- i. To ensure formal and transparent procedures for the selection and appointment of new directors and succession plans;
- ii. To identified and lay down the criteria and procedures for appointment of senior management and in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- iii. To formulate the criteria and policies for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- iv. To recommend to the Board, the appointment and remuneration for Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors and other KMP from time to time;
- v. To implement, supervise and administer any share or stock option scheme of the Company;
- vi. To formulate and implement the policies for evaluation of the performance of the Members of the Board and other KMP;
- vii. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is not applicable to our company since the profit of the company in the last financial year is less than 5 Cr.

**POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING:**

The provisions of the Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, will be applicable to our Company immediately upon the listing of Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the SME Platform of BSE Limited. Further, Board of Directors at their meeting held on August 01, 2018, have approved and adopted the policy on insider trading in view of the proposed public issue.

Malvika Kapasi, Company Secretary and Compliance Officer of our Company will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS:

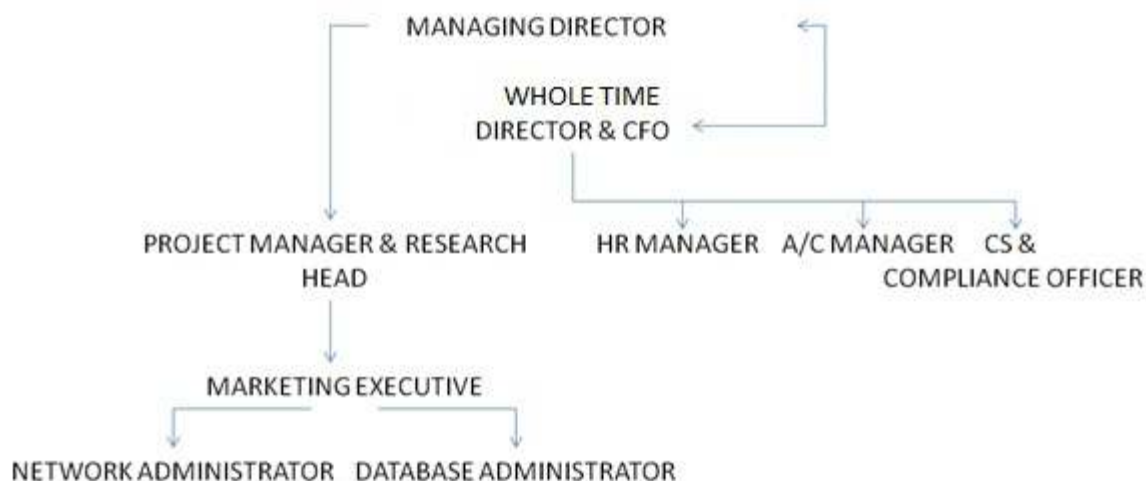
The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the SME Platform of BSE Limited. The Board of Directors at their meeting held on August 01, 2018 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions. Also, adopted policies by our Company are as stated below:

Policies:

- i. Archival Policy
- ii. Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015
- iii. Familiarization Programme for Independent Directors
- iv. Policy for identification of material litigation, group companies and material dues to creditors
- v. policy for determination of materiality of events and information and there disclosures
- vi. Policy for preservation of records and documents
- vii. Policy on succession plan for the Board and Senior Management
- viii. Policy for evaluation of performance of Board
- ix. Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- x. Code for Independent Directors
- xi. Policy on related party and transaction with related parties
- xii. Policy on Prevention of Sexual Harassment at Workplace;
- xiii. Vigil Mechanism/Whistle Blower Policy
- xiv. Nomination and Remuneration policy
- xv. Policy on appointment and remuneration of Directors, Senior Management and KMPs;



Management Organizational Structure



Profiles of our Key Managerial Personnel

The details of the Key Managerial Personnel as on the date of this Draft Prospectus are set out below. All the Key Managerial Personnel are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel of our company.

1. Mr. Ketan Shah, Chairman, Managing Director and CEO, Age: 50 Years

Mr. Ketan Shah aged 50 years, is Chairman, Managing Director and also the Promoter of our Company. He was associated with Company as Director since Incorporation He holds Bachelor in Engineering (Computer) from D.D.I.T Gujarat University, Nadiad India in 1991. He is actively engaged in managing the company since incorporation. He has a wide experience right from the 286 machines with 6 MHz to Pentium 4 machines with 2.6 GHz and Software Development from third Generational COBOL to 3-tier Architecture based ERP development Experience He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company. He is instrumental in taking major policy decision of the Company. He assesses the principal risks of the Company and ensures that these risks are being monitored and managed.

TECHNICAL SKILLS	:C, C++, Java, JDBC, JFC/Swing Programming, Applet Security, RMI, Servlets, Java Beans, Visual InterDev, XML, Cold Fusion, HTML & DHTML With Java Script 1.3 and VBScript, ASP, FrontPage 2000, Foxpro2.6, Clipper.
DATABASE FRONT ENDS	:Visual Basic 6.0, crystal Report Writer, Oracle Forms 4.5, Oracle Reports 2.5 and Power Builder 6.0.
RDBMS	:MS SQL Server 7.0, Oracle 8.0, Oracle 8.i with SQL*Plus and PL/SQL, Ms Access, Sybase Sql.

2. Mr. Jimit Shah, CFO and Director, Age: 23 Years

Mr. Jimit Shah Chartered Accountant, aged 23 years, is the Whole Time Director and CFO of our Company. He holds Bachelor in Commerce from HLIC Ahmedabad University, Ahmedabad India in 2015 and completed his Chartered accountancy studies in the year 2016. He has a wide experience starting from Audit to Amalgamation. Further he is well versed with Companies Act, 2013, Income Tax Act, Insolvency Act, He is responsible for companies legal and finance matters. He had worked as Chartered Accountant in one of the leading chartered accountancy firm based in Ahmedabad.



3. Ms. Malvika Kapasi, Company Secretary & Compliance officer, Age: 23 Years

Ms. Malvika Kapasi Company Secretary, aged 23 years, is the Company Secretary & Compliance officer of our Company. She is an associate member of ICSI, also holds Bachelor in Commerce (B Com) and Bachelor in Law (LLB) from Gujarat University. She is having deep insight in the areas of Companies Act, Corporate Laws, Corporate Governance and SEBI related Matters. She has significant experience in handling compliances for listed companies under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with stock exchanges, SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 and under company law E-filing various forms with ROC, RBI in relation to company and LLP. She is having experience of overall one year of which nine months work with BSE listed company as Company Secretary & Compliance officer. Further she is having Knowledge of Insolvency and Bankruptcy code, 2016 and GST.

Status of Key Management Personnel in our Company

All our key managerial personnel are permanent employees of our Company. The term of office of our key managerial personnel is until the attainment of 60 years of age.

Shareholding of Key Management Personnel in our Company

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)
1.	Mr. Ketan Shah	7,01,100	4.95%
2.	Mr. Jimit Shah	9,19,500	6.49%
3.	Ms. Malvika Kapasi	-	-
Total		16,20,600	11.44%

Bonus or profit sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel's of our Company.

Interests of Key Management Personnel

Other than as disclosed in "Our Management" - Interest of Directors on page 103, the key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Payment of Benefits to Officers of our Company (non-salary related)

Except as disclosed in this Draft Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled "Financial Information" beginning on page 128 of this Draft Prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoters.

Relationship amongst the Key Managerial Personnel of our Company

There is Father- Son relationship amongst the Managing Director and CFO of our Company.



Relationship between the Directors and Key Managerial Personnel

There are no family relationships between the Directors and Key Managerial Personnel of our Company except following:

Sr. No.	Name of Director	Name of KMP	Relationship
1	Mr. Ketan Shah	Mr. Jimit Ketan Shah	Father-Son
2.	Mr. Jimit Ketan Shah	Mr. Ketan Shah	Son-Father

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the above Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Employee Stock Option or Employee Stock Purchase

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.

Loans availed by Directors / Key Managerial Personnel of our Company

None of the Directors or Key Managerial Personnel have availed loan from our Company which is outstanding as on the date of this Draft Prospectus.

Changes in our Company's Key Managerial Personnel during the last three (3) years

The changes in the Key Managerial Personnel of our Company in the last three (3) years are as follows:

Sr. No.	Name of the Key Managerial Personnel	Designation	Date of Appointment/ Resignation	Nature
1	Mr. Ketan Nalinkant Shah	Managing Director	August 27, 2018	Appointment
2	Mr. Jimit Ketan Shah	Executive Director & CFO	August 27, 2018	Appointment
3	Ms. Malvika Bhadreshbhai Kapasi	Compliance Officer	August 01, 2018	Appointment

For details about our employees appear please refer Chapter Titled “**Our Business**” beginning on page 83 of this Draft Prospectus.



OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Our Promoters are (i) Mr. Ketan Nalinkant Shah (ii) Asya Infosoft Limited. As on the date of this Draft Prospectus, our Promoters hold 94,25,820 Equity Shares which in aggregate, constitutes 66.53% of the issued and paid-up Equity Share capital of our Company.

Details of Individual Promoter of our Company

	<p>Mr. Ketan Shah aged 50 years, is Chairman and Managing Director and also the Promoter of our Company. . He was associated with Company as Director since Incorporation He holds Bachelor in Engineering (Computer) from D.D.I.T Gujarat University, Nadiad India in 1991. He is actively engaged in managing the company since incorporation. He has a wide experience right from the 286 machines with 6 MHz to Pentium 4 machines with 2.6 GHz and Software Development from third Generational COBOL to 3-tier Architecture based ERP development Experience He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company. He is instrumental in taking major policy decision of the Company. He assesses the principal risks of the Company and ensures that these risks are being monitored and managed.</p> <p>Address: 1, Riddhi Siddhi Apt, Mahalaxmi Society, Nr. Mahalaxmi Cross Road, Paldi Ahmedabad 380007 GJ IN Permanent Account Number: ASLPS2319F Passport No.: R4606665 Aadhar No.: 929718019659 Driving license No.: NA Voter's identification card No.: NA</p> <p>For further details in relation to other ventures of Mr. Ketan Nalinkat Shah, please refer to section titled "Group Entities of our Company" beginning on page 124 of this Draft Prospectus.</p>
--	---

We confirm that the PAN, Bank account Number and Passport number of the Promoter have been submitted to the Stock Exchanges at the time of filing of this Draft Prospectus.

Details of our Corporate Promoter

ASYA INFOSOFT LIMITED

Corporate Information

Asya Infosoft Limited was incorporated on December 2, 1985, as SAYA Housing Finance Company Limited. Subsequently, on March 04, 2008 its name changed to Asya Infrastructure and Tourism Corporation Limited. Thereafter, on December, 11, 2013, it received a fresh certificate of incorporation consequent upon change of its name to Asya Infosoft Limited.

The registered office of Asya Infosoft Limited is H. N. House, 4th Floor, Nidhi Complex, Navrangpura, Ahmedabad , Ahmedabad-380009, Gujarat, India.

In terms of its memorandum of association, the main objects of Asya Infosoft Limited are inter alia,

1. To carry on in India or elsewhere in the World, with or without collaboration, the business as software engineers, software developers, software programmers, software trainers, branding services, networking engineers, web designers, web development, application development and integration, software solutions,



compushop, management of bulk data, computer or other management consultancy services, education centers, training centers, Call Centre Services, in all of its aspect and to design, develop, apply, interpret, analyze, improve and buy, sell, import, export, lease, hire, license, operate, assemble, repair, recondition, alter, convert, improve, upgrade, install, modify system development and support software of all kinds, to provide ERP Solutions, internet related solutions, E Commerce, internet and connectivity solutions, video conferencing, telecommunication software, satellite communication software, radio communication software, wireless communication software, Corporate Communication software and hardware, parallel communication software, collection, storing, tabulations, analysis and interpretation of data of all kinds, real time applications, web applications and to provide Hi Tech solutions, to give consultancy services in respect thereof and to develop, prepare, run, update, invent, analyze, design, improve the various programmes and to provide, lease, hire, transfer, buy, sell, import, export such programmes to various kind of users either on BOOM or BOLT basis and other services connected therewith.

2. To manufacture, design, develop, sell, provide, equip, supply, import from other Countries, export to other Countries, furnish, undertake, install, erect, commission, test and stock Computer, Communication Software, Hardware and Computer Peripherals for commercial applications like accounting, inventory, production planning, management information systems, documentation and such others, office automation applications, scientific applications, engineering applications, technical applications, communications, data base publishers, local area networking, wide area networking, computer aided designing, computer aided manufacturing, computer aided engineering, desk top publishing multimedia, shop floor computerization, process control, computerized numerical control systems, graphical animations, animated films, using computers banking, insurance, transport, professionals for storage, retrieval, analysis, reproduction of various media filing of drawings, photographs, correspondence, records and such other applications and such other subjects for local and export market.

3. To purchase, acquire, take on lease, hire, erect, contact, construct, improve, develop, charge, build, let-out, exchange, sale, work or deal in land, buildings, flats, rooms, show-rooms, shop, auditorium, halls, malls, towers, markets, sheds, mines, factories, mills, plants, plantations, farms, and do all such acts and things necessary in connection therewith and deal in buildings materials of all kinds and builders, stores and machinery.

Asya Infosoft Limited currently holds 87,24,720 Equity Shares of our Company, which constitutes 61.58% of our pre-Issue paid-up capital. For details of build-up of Asya Infosoft's shareholding in our Company, please see Capital Structure-Notes to capital Structure on page 47 of this Draft Prospectus.

The CIN or corporate identification number of Asya Infosoft Limited is L72900GJ1985PLC029849.

Asya Infosoft Ltd. offer strategy and technology implementation services to companies / organizations wanting to optimize or re-engineer their existing business. Using N-tier architecture and latest technological tools for software development, web designing and web development for the global image building for their company / organization with multimedia animation. We also offer network solutions and resource management services to give complete new look and best performing company / organization look to their firm. The knowledge engine that powers our main range of software are also capable of powering e-commerce web site solutions, providing data-driven websites that use the same business rules as their main systems.

Asya Infosoft's equity shares have been listed on the BSE since November 26, 1986.

Board of directors

As on the date of this Draft Prospectus, the board of directors of Asya Infosoft Limited comprises:

Sr. No.	Name	Designation
1.	Ketan Nalinkant Shah	Managing Director & Chief Executive Officer
2.	Nixon Patel	Executive Director
3.	Jorubha Kanubha Gohel	Non-Executive, Independent Director
4.	Dhaval Pravinhai Patel	Non-Executive, Independent Director
5.	Safal Hasmukhbhai Patel	Non-Executive, Independent Director
6.	Jimit Ketan Shah	Chief Financial Officer
7.	Hemal Ketan Shah	Woman cum Non Executive Director



Ideal Systems Limited

Except Ketan Nalinkant Shah and Jimit Ketan Shah, none of the Directors of Asya Infosoft Limited hold equity shares in our Company.

Promoters and Promoter Group of Asya Infosoft Limited:

1. Ketan Nalinkant Shah
2. Kinnary V Vaghela
3. Hemal Ketan Shah
4. Mona Sandip Shah
5. Anantaba
6. Khyati R Zala
7. Sohansinh D Jadeja

**Shareholding Pattern**

Set forth below, is the shareholding pattern of Asya Infosoft Limited as on June 30, 2018:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of Rs.10/- each^	Class y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VIII+IX	XII		XIII		XIV
(A)	Promoters & Promoter	7	2,97,693	-	-	2,97,693	2.47	2,97,693	-	2,97,693	2.47	-	2.47	-	93,000	31.24	-	2,97,693
(B)	Public	2,42,99	1,17,59,599	-	-	1,17,59,599	97.53	1,17,59,599	-	1,17,59,599	97.53	-	97.53	-	-	-	-	1,17,59,599
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Emn Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	2,436	1,20,57,292	-	-	1,20,57,292	100.00	1,20,57,292	-	1,20,57,292	100.00	-	100.00	-	93,000	0.77	-	1,20,57,292



Financial Information

Standalone Audited Financial Information	For the Year Ended (Rs. In Lakhs except Share Data)		
	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital	1206.00	1206.00	724.00
Share Application Money	Nil	Nil	406.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)	1265.00	1251.00	545.00
Net Worth	2471.00	2457.00	1675.00
Income including other income	999.00	45.00	78.00
Profit/ (Loss) after tax	14.00	14.00	37.00
Earnings per share (face value of Rs. 10.00 each)	0.12	0.12	0.52
Net asset value per share (Rs.)	20.49	20.37	17.52

Other confirmations

Our Company confirms that the PAN, bank account number, the company registration number and address of the RoC where Asya Infosoft Limited is registered was submitted to the Stock Exchanges at the time of filing of the Draft Prospectus.

Interests of our Promoters

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by them or their relatives; (iii) of being Executive Directors and Key Management Personnel of our Company and the remuneration payable by our Company to them; (iv) that they have provided personal guarantees for the loans availed by our Company; (v) of being subscribers to the Memorandum of Association; (vi) of their relatives having been appointed to places of profit in our Company; and (vi) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoters hold shares. For details regarding the shareholding of our Promoters in our Company, see “**Capital Structure**”, “**Our Management**” and “**Related Party Transactions**” on pages 47, 103 and 125, respectively.

Interest of Promoters in the Promotion of our Company

Our Promoters are interested in our Company as mentioned above in this chapter, under the heading “Common Pursuits of our Promoter” and to the extent of their shareholding in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of filing the Draft Prospectus. Further, we confirm that our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Interest of Promoters in our Company other than as Promoters

Other than as a promoter, our Promoter is interested in our Company to the extent of the dividend declared, if any, by our Company. Our Promoter may also be interested to the extent of Equity Shares held by them.

Our Promoters Mr. Ketan Nalinkant Shah and Asya Infosoft Limited along with their promoter group Mrs. Hemal Ketan Shah and Mr. Jimit Ktan Shah has guaranteed working capital facilities (cash credit and bank guarantee) availed by our Company availed from Bank of Baroda.



Common Pursuits

Our Company is engaged in the business of software and computer related activities. The company is based in Ahmedabad. Our Company has not adopted any measures for mitigating such conflict situations. However, our Company believes that all such transactions have been conducted on the arms-length basis. For further details on the related party transactions, to the extent of which our Company is involved, please see the “ **Related Party Transactions Annexure 29 of V-A**” of Financial Information beginning on page 160 of this Draft Prospectus.

Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years

Except as stated in “**Financial Statements as Restated**” on page 128 of this Draft Prospectus, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group in the last two years preceding the date of this Draft Prospectus.

Other Confirmations

Our Company hereby confirms that:

- None of our Promoters have been declared as a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against them.
- None of our Promoters, Promoter Group or Directors or persons in control of our Company or bodies corporate forming part of our Promoter Group have been (i) prohibited from accessing the capital markets under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

Payment or benefits to the Promoters in the last two (2) years

No payment or benefit has been made to the Promoters except remuneration and as disclosed in the related party transaction. For further details, please refer to section Financial Statements of this Draft Prospectus.

Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by our Promoters please refer to section titled “**Outstanding Litigations and Material Developments**” beginning on page 207 of this Draft Prospectus.

Declarations

No winding up proceedings have been initiated against any of our Promoters.

Neither our Promoters nor any of our Promoter Group companies have become defunct in the five years preceding the date of this Draft Prospectus.

Our Corporate Promoter, the members of our Promoter Group and relatives of our Promoters (as per the Companies Act) have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

Companies with which the Promoters has disassociated in the last three years

Our Promoter Mr. Ketan Nalinkant Shah disassociated himself from Sanare Information Technology Private Limited during the last three years preceding the date of this Draft Prospectus.



Individual Promoter Group of our Promoters

In addition to our Promoters named in above section, the following natural persons are part of our Promoters Group in terms of Regulation 2(1) (zb) of SEBI (ICDR) Regulations:

Name of our Individual Promoter	Name of the Relatives	Relationship with the Relative
Mr. Ketan Nalinkant Shah	Nalinkant Shah	Father
	Manjula Shah	Mother
	Jayesh Shah	Brother
	Priti Shah	Sister
	-	Daughter
	Jimit Shah	Son
	Hemal Shah	Spouse
	Chandrakant Shah	Spouse's Father
	Chitra Shah	Spouse's Mother
	-	Spouse's Brother
	Amisha Shah	Spouse's Sister

Promoter Group Entities of our Promoters

The following entities form a part of our Promoter Group entities in terms of Regulation 2(1)(zb) of SEBI (ICDR) Regulations:

1. Mark Infotech
2. Ideal Systems Limited being the subsidiary company of the Corporate Promoter ASYA Infosoft Limited



GROUP ENTITIES OF OUR COMPANY

As per the requirements of SEBI (ICDR) Regulations, for the purpose of identification of 'group companies/entities', our Company has considered those companies as Group Companies, which are included in the list of related parties of the Company, under the Accounting Standard 18 or other Companies as considered material by our Board. Pursuant to a resolution of our Board dated August 01, 2018, for the purpose of disclosure in Issue documents for the Issue, a company shall be considered material and disclosed as a 'Group Company' if (i) companies in which the investment in the form of equity or loan by our Company exceeds 10% of the consolidated net worth of our Company for the last audited financial year; (ii) where the Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 10% of the total consolidated revenue of our Company for the last audited financial year; and (iii) any other company which the Board may decide.

❖ BRIEF HISTORY OF ASYA INFOSOFT LIMITED

Asya Infosoft Limited was erstwhile known as ASYA Infrastructure & Tourism Corporation Limited, and formerly known as SAYA Housing Finance Limited established and Registered under Company's Act, 1956 in the year December 1985. The Company originally incorporated with the name of SAYA Housing Finance Company and was doing the business of Housing Finance activity. The Company was also registered with National Housing Board. There after due to deregistration with National Housing Board on 17th October, 2007 and as per the instruction of N.H.B vide letter dated 14/11/2007, the Company has altered the Main Object Clause of the Memorandum of Association of the Company, by inserting activity of Tourism Infrastructure in the main object clause of Memorandum of Association and subsequently has changed its name from SAYA Housing Finance Company to ASYA Infrastructure and Tourism Corporation Limited. The Company has made application with for changing the name from SAYA Housing Finance Company Limited to ASYA Infrastructure and Tourism Corporation Limited on 04/03/2008. On 11th December 2013 the Company has made application with for changing the name from ASYA Infrastructure and Tourism Corporation Limited to Asya Infosoft Ltd.

The Company has chosen the power of Information Technology as the strategic key to transform the performance and efficiency of an Organization. IT is an enabler, enhancer and enriches the Business potential and performance in the shortest time. It multiplies and integrates Organizational resources with optimum results and Quality delivery.

Today's highly connected global business world is utilizing information on the strong foundations of high-performance Software, Timely / Time bond Information is essential for critical decision-making and determines success in the Business World. IT offers an edge cutting competitive advantage by providing right information about Organization's business on their fingertips at the right time.

To provide integrated IT solutions to keep Organizations ahead in business is the main mission our Organization. We provide strategy and technology implementation services to companies / organizations wanting to optimize or re-engineer their existing business. Focus of our team of professionals is on Knowledge Management, Enterprise Integration and Technological migration to the web-base or best suitable platform.

The company strongly believes and practices the motto that the Software should be cost effective and at the same time it should give maximum performance, scalability and efficiency. Our company utilize the power of latest software tools and IT by developing feasible and easy to use customer oriented software that can satisfy their needs echo-friendly.

- **The main business of the company is as follow:**

To carry on in India or elsewhere in the World, with or without collaboration, the business as software engineers, software developers, software programmers, software trainers, branding services, networking engineers, web designers, web development, application development and integration, software solutions, compushop, management of bulk data, computer or other management consultancy services, education centres, training centres, Call Centre Services, in all of its aspect and to design, develop, apply, interpret, analyze, improve and buy, sell, import, export, lease, hire, license, operate, assemble, repair, recondition, alter, convert,



improve, upgrade, install, modify system development and support software of all kinds, to provide ERP Solutions, internet related solutions, E Commerce, internet and connectivity solutions, video conferencing, telecommunication software, satellite communication software, radio communication software, wireless communication software, Corporate Communication software and hardware, parallel communication software, collection, storing, tabulations, analysis and interpretation of data of all kinds, real time applications, web applications and to provide Hi Tech solutions, to give consultancy services in respect thereof and to develop, prepare, run, update, invent, analyze, design, improve the various programmes and to provide, lease, hire, transfer, buy, sell, import, export such programmes to various kind of users either on BOOM or BOLT basis and other services connected therewith.

- **SERVICES ASYA OFFER:**

ASYA offer strategy and technology implementation services to companies / organizations wanting to optimize or re-engineer their existing business. Using N-tier architecture and latest technological tools for software development, web designing and web development for the global image building for their company / organization with multimedia animation. We also offer network solutions and resource management services to give complete new look and best performing company / organization look to their firm. The knowledge engine that powers our main range of software are also capable of powering e-commerce web site solutions, providing data-driven we sites that use the same business rules as their main systems.

- **Software Development**
- **Resource Management**
- **IT Enabled Services**

- **Software Development:**

As per customer's need and their budget, ASYA develop the optimal software solution by using the most popular and cutting edge latest technologies that are optimal for the project from a technical and financial point of view.

With vast experience of our team, they have built a very strong reputation of software development. Our knowledge base includes an in-depth understanding of e-Commerce, e-knowledge-ware and function of industries. The best option of off-shore web-development and outsourcing center with best value for money, our programming solutions includes ASP Programming, PHP Programming, Java Programming or we programming with data base development in My-SQL, MS-SQL, MS-Access, Oracle with the latest technology. We offer web based software programming with high service level, at a competitive prices, wide range of services. Time bond project implementation, high degree of confidentiality, very simple module for customer interaction and constant work resource availability.

Financial Information

Standalone Audited Financial Information	For the Year Ended(Rs. In Lakhs except Share Data)		
	March 31, 2018	March 31, 2017	March 31, 2016
Equity Capital	1206.00	1206.00	724.00
Share Application Money	Nil	Nil	406.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)	1265.00	1251.00	545.00
Net Worth	2471.00	2457.00	1675.00
Income including other income	999.00	45.00	78.00
Profit/ (Loss) after tax	14.00	14.00	37.00
Earnings per share (face value of Rs. 10.00 each)	0.12	0.12	0.52
Net asset value per share (Rs.)	20.49	20.37	17.52

RELATED PARTY TRANSACTIONS



For details on related party transactions of our Company, please refer to section titled “**Financial Information – Note 29 –Annexure V-A Note on Related Party Transactions**” beginning on page 160 of this Draft Prospectus.



DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of other factors, including, restrictive covenants under the loan or financing documents that we may enter into from time to time. Our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends.

Our Company has not declared any dividend on the Equity Shares in each of the Financial Years ended on March 31, 2014; 2015; 2016 2017 & 2018 as per our Restated Financial Statements, the details of which are as given below:

Particulars	Financial Years				
	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
Face value per share (in Rs)	10/-	10/-	10/-	10/-	10/-
Dividend (in Rs.)	NIL	NIL	NIL	NIL	NIL
Dividend per share (in Rs.)	NIL	NIL	NIL	NIL	NIL
Rate of dividend (%)	NIL	NIL	NIL	NIL	NIL
Dividend Tax (Rs.)	NIL	NIL	NIL	NIL	NIL

**SECTION VI : FINANCIAL INFORMATION****FINANCIAL STATEMENTS AS RESTATED
INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL
INFORMATION****Private and Confidential****The Board of Directors**

Ideal Systems Limited
4th Floor H N House(Nidhi Complex)
Nr Under Bridge , Five Roads Navrangpura
Ahmedabad – 380009, Gujarat.

Dear Sirs,

1. We have examined the attached Restated Financial Information of Ideal Systems Limited (**‘the Company’**), which comprise of the Restated Summary Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Summary Statement of Profit and Loss (including Other Comprehensive Income, as applicable) and the Restated Statement of Cash Flows for each of the financial years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the Restated Summary Statement of Changes in Equity for each of the financial years ended 31 March 2018, 31 March 2017 and 31 March 2016 and the summary of significant accounting policies, read together with the annexures and notes thereto and other restated financial statement as mentioned in paragraphs 7 and 8 below (collectively, the ‘Restated Financial Statement’), as approved by the Board of Directors of the Company at their meeting held on September 13, 2018 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed initial public offer of Equity shares by way of fresh issue and an offer for sale by the existing shareholders (collectively referred to as ‘the Offer’) and is prepared in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the ‘Act’);

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992 (the ‘ICDR Regulations’); and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (‘ICAI’) as amended from time to time (the ‘Guidance Note’)

2. The preparation of the Restated Financial Information is the responsibility of the Management of the Company (‘Management’) for the purpose set out in paragraph 13 below. The Management’s Responsibility includes designing, implementing and maintenance of adequate internal financial controls relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR regulations and Guidance Note. Our responsibility is to examine the Restated Financial Information and confirm whether such Restated Financial Information complies with the requirements of the Act, the ICDR Regulations and the Guidance Note.

3. We have examined the Restated Financial Information taking into consideration:

- (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our Engagement letter dated August 20, 2018 in connection with the Offer;
- (b) The Guidance Note on Reports in Company Prospectuses (Revised 2016), issued by The Institute of Chartered Accountants of India (‘ICAI’) as amended from time to time (the ‘Guidance Note’).

4. These Restated Financial Information have been compiled and prepared by the Management as follows:



(a) As at and for the financial years ended 31 March 2018 and 31 March 2017: From the audited Financial statements of the Company as at and for the year ended 31 March 2018 and as at and for the year ended 31 March 2017 being the comparative period for the year ended 31 March 2018, prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) (Amendment) Rules 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their meeting. The audited financial statements of the Company as at and for the year ended 31 March 2017, prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 ('Previous GAAP') have been approved by the Board of Directors at their meeting. These audited Financial statements have been adjusted for the difference in the accounting principles adopted by the Company on transition to Ind AS.

(b) As at and for the year ended 31 March 2016: From the audited financial statements of the Company as at and for the year ended 31 March 2016, prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act which has been approved by the Board of Directors at their meeting. These audited financial statements of the Company as at and for the year ended 31 March 2016 have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparations of the first Ind AS financial statements for the year ended 31 March 2018. These Restated Financial Statement as at and for the year ended 31 March 2016 is referred to as 'the Proforma Ind AS Financial Statement'; and

(c) As at and for the financial years ended 31 March 2015 and 31 March 2014: From the audited financial statements of the Company as at and for the financial years ended 31 March 2015 and 31 March 2014, prepared in accordance with accounting standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies Accounting Standard Rules (2006) and which have been approved by the Board of Directors at their meetings.

5. We have examined the following Financial Statements of the Company contained in Restated Financial Information of the Company :

(a) The Restated Summary Statement of Assets and Liabilities of the Company as at March 31, 2018, 2017 and 2016 under Ind AS, as set out in Annexure I-A and as at March 31, 2015 and 2014 under Indian GAAP, as set out in Annexure I-B ;

(b) The Restated Summary Statement of Profit and Loss (including other comprehensive income) of the Company for the financial years ended March 31, 2018, 2017 and 2016 under Ind AS, as set out in Annexure II-A and the Restated Statement of Profit and Loss for the financial years ended March 31, 2015 and 2014 under Indian GAAP, as set out in Annexure II-B ;

(c) The Restated Statement of Cash Flows of the Company for the financial years ended March 31, 2018, 2017 and 2016 under IndAS, as set out in Annexure III-A and for the financial years ended March 31, 2013 and 2014 under Indian GAAP, as set out in Annexure III-B ;

(d) The Restated Statement of Changes in Equity of the Company for the financial years ended March 31, 2018, 2017 and 2016 under Ind AS, as set out in Annexure IV - A; and

(e) The Notes to Restated information of the Company for the years ended March 31, 2018, 2017 and 2016 under Ind AS, as set out in Annexure V-A and for the years ended March 31, 2013 and 2014 under Indian GAAP, as set out in Annexure V-B;

(f) The Statement of significant Accounting policies and practices of the Company for the years ended March 31, 2018, 2017 and 2016 under Ind AS, as set out in Notes 1 in Annexure V-A and for the years ended March 31, 2013 and 2014 under Indian GAAP, as set out in Annexure IV-B;

6. The Audit of the Company's financial statements for the years ended 31 March 2018, 31 March 2017, 31 March 2015 and 31 March 2014 was conducted by the Statutory Auditors of the Company M/s. D.V. Shah & Associates,



Chartered Accountants, for which they have issued modified audit opinion except for the year ended March 31, 2018. And the audit of the Company's Financial Statements for the year ended 31 March 2016 was conducted by the J.J. Sheth & Co, Chartered Accountants, and for which they have also issued modified audit opinion. However, during preparation of restated financial statements from the audited financial statements of the respective years, the Company has taken appropriate steps to remove the modifications raised by the auditors for the respective financial years and summary of the modification raised and appropriate steps taken by the company is enlisted below. Subject to the following points, reliance has been placed on the data used to prepare the Restated Financial Statement as audited by them.

Matter of emphasis/ Qualification/ Adverse remarks for the year ended March 31, 2018

NIL

Matter of emphasis/ Qualification/ Adverse remarks for the year ended March 31, 2017

- *The Management has accounted gratuity & other retirement benefits on cash basis, which constitutes a departure from the Accounting Standards referred to in section 133 of the Companies Act, 2013. The management has not obtained actuarial valuation report for company's liabilities towards the gratuity & other retirement benefit. Consequently, we were unable to obtain sufficient appropriate evidences to determine whether any adjustments to these amounts were necessary.*
- *During the year under review company decided to compensate the employees of the company by purchasing the old laptop at the pre-decided price from them which they were using for the work of the company. The total capital expenditure incurred for these laptops is Rs 38,49,100 .Company has produced before us the list of employees with their Pan Number mentioning the amount paid to particular employees for purchase of these laptops except this Company has not produced any evidence confirming these transactions. Consequently, we were unable to determine whether any adjustments to these amounts was necessary.*
- *Confirmation of some of the creditors, debtors, loans & advances, deposits are not produced before us for our verification. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.*
- *Company valued the investment in Preferential Equity shares of "Accura Trade Link Pvt. Ltd." amounting Rs. 100 lacs, "Easy Advisory Services Pvt. Ltd." amounting Rs. 50 lacs and "Narita Trade link Pvt. Ltd." amounting Rs. 50 lacs at cost considering it as long term investment and envisaging that there is no indication of permanent dilution in the preferential equity shares of these private limited companies. However latest balance sheet of these companies are not produced before us to verify the correct valuation of these shares. Consequently, we were unable to obtain sufficient appropriate evidences to determine whether any adjustments to these amounts were necessary.*

Steps taken by Management for the year ended March 31, 2017

- ✓ Company has carried out the actuarial Valuation for the past 5 financial years in order to prepare restated financial statements in accordance with the requirements of the Accounting standard for these years.
- ✓ As the company is available with the list of employees & their PAN, it has been provided to the Auditor. However, the company being mid-size, does not have adequate and well structured human Resource policies and qualified men to fill these gap of good level of record keeping. Still, the company is in process of obtaining written confirmation from the concerned parties in support these transactions as an evidential proof.
- ✓ The company has sought confirmations from the parties but its client base, mostly belongs to SME group who are not aware of the importance level of statutory compliances and do not have adequate human resource to meet the statutory formalities within the prescribed time. However, the company shall ensure the genuineness of these parties and it shall provide the pending confirmations upon the receipt of the same.
- ✓ At the time of finalization of audit of company's accounts, financials of these companies were also under finalization. However, the company has obtained the latest financial statements including financial statements for the previous financial years from all these companies and necessary adjustments in the value of investments wherever necessary in the view of the management has been carried out.

**Matter of emphasis/ Qualification/ Adverse remarks for the year ended March 31, 2016**

- *The Management has accounted gratuity & other retirement benefits on cash basis, which constitutes a departure from the Accounting Standards referred to in section 133 of the Companies Act, 2013. The management has not obtained actuarial valuation report for company's liabilities towards the gratuity & other retirement benefit. Consequently, we were unable to obtain sufficient appropriate evidences to determine whether any adjustments to these amounts were necessary.*

Steps taken by Management for the year ended March 31, 2016

- ✓ Company has carried out the actuarial Valuation for the past 5 financial years in order to prepare restated financial statements in accordance with the requirements of the Accounting standard for these years.

Matter of emphasis/ Qualification/ Adverse remarks for the year ended March 31, 2015

- *The Management has accounted gratuity & other retirement benefits on cash basis, which constitutes a departure from the Accounting Standards referred to in section 133 of the Companies Act, 2013. The management has not obtained actuarial valuation report for company's liabilities towards the gratuity & other retirement benefit. Consequently, we were unable to obtain sufficient appropriate evidences to determine whether any adjustments to these amounts were necessary.*
- *The Management has not translated yearend recoverable balance outstanding in foreign currency at the yearend rates, which constitutes a departure from the Accounting Standards referred to in section 133 of the Companies Act, 2015. The Company has not provided us sufficient details to work out the impact of this deviation on the profit and assets of the company. So we have not been able to indicate that had management translated yearend balance outstanding in foreign currency at the yearend rates, what amount would have been required to provide for and impact of the same on profit/(loss), Income Tax provision and shareholders' funds.*

Steps taken by Management for the year ended March 31, 2015

- ✓ Company has carried out the actuarial Valuation for the past 5 financial years in order to prepare restated financial statements in accordance with the requirements of the Accounting standard for these years.
- ✓ Due to upward trend of foreign currency rates, as a conservative policy company has not translated the year end balance outstanding in foreign currency at the year-end rates. Further, effect of this qualification was not provided for while preparing restated financial statements as well, mainly because on the basis of the circumstances and developments as on the date of restated financial statements the management is expecting credit loss from the said foreign currency asset.

Matter of emphasis/ Qualification/ Adverse remarks for the year ended March 31, 2014

- *The assets of the company are carried at book value less depreciation provided till date. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of assets of the company at 31st March, 2014 because the management has not obtained valuers' report for Impairment of Assets, if any. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.*
- *The Management has accounted gratuity & other retirement benefits an cash basis, which constitutes a departure from the Accounting Standards referred to in section 133 of the Companies Act, 2013 The management has not obtained actuarial valuation report for company's liabilities towards the gratuity & other retirement benefit- Consequently, we were unable to obtain sufficient appropriate evidences to determine whether any adjustments to these amounts were necessary.*
- *The inventories of the company are carried at cost or net realizable value whichever is less. As per the information & explanation provided to us, the management has made monthly physical stock taking. We were unable to obtain sufficient appropriate audit evidence about the quantitative data regarding raw material, sales, finished goods of the company at 31st March, 2013 because the management has not maintained records of inventory. Consequently, we have relied on physical stock taking made by the management wherever necessary.*
- *The Management has not translated yearend balance outstanding in foreign currency at the yearend rates, which constitutes a departure from the Accounting Standards referred to in section 133 of the Companies*



Act, 2013. The Company has not provided us sufficient details to work out the impact of this deviation on the profit and assets at the company.

So we have not been able to indicate that had management translated yearend balance outstanding in foreign currency at the yearend rates, what amount would have been required to provide for and impact of the same on profit/loss), Income Tax provision and shareholders' funds.

Steps taken by Management for the year ended March 31, 2014

- ✓ With reference to the value of assets recognized in accounts, the management is of the opinion that fair value of assets reasonably exceeds book value and hence no certification of the value of the asset is obtained. It is also not feasible due to cost involved in obtaining the report vis-a-vis size of the company.
- ✓ Company has carried out the actuarial Valuation for the past 5 financial years in order to prepare restated financial statements in accordance with the requirements of the Accounting standard for these years.
- ✓ With reference to paragraph (ii) of CARO relating to inventory, the company is in software and allied services activities. The use of quantitative items is not predefined. So in different contracts different materials are required to be used. Having regards to the nature of the business it is very difficult to maintain the quantitative records. However, the directors are having direct control on the purchase and usage of material and has also put necessary internal control, internal checks to maintain proper records.
- ✓ Due to upward trend of foreign currency rates, as a conservative policy company has not translated the year end balance outstanding in foreign currency at the year-end rates. Further, effect of this qualification was not provided for while preparing restated financial statements as well, mainly because on the basis of the circumstances and developments as on the date of restated financial statements the management is expecting credit loss from the said foreign currency asset.

7. The Restated Financial Statement relating to the above mentioned years:

- a) have been made after incorporating adjustments for changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;
- b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
- c) do not contain any exceptional items that need to be disclosed separately other than those presented in the Restated Financial Statement in the financial years and do not contain any qualification requiring adjustments

8. We have also examined the following Restated Financial Information of the Company as set out in the following Annexure prepared by the Management and approved by the Board of Directors on September 13, 2018 for each of the financial years ended 31 March 2018, 31 March 2017 and 31 March 2016,

Restated Statement of Significant Accounting Policies and Practices as Enclosed in Note 1 of Annexure V- A;
 Restated Statement of Property, Plant & Equipment as enclosed in Note 2 of Annexure V- A;
 Restated Statement of Investments as enclosed in Note 3 of Annexure V- A;
 Restated Statement of Loans & Advances as enclosed in Note 4 of Annexure V- A;
 Restated Statement of Other Financial Assets as enclosed in Note 5 of Annexure V- A;
 Restated Statement of Other Non-current Assets as enclosed in Note 6 of Annexure V- A;
 Restated Statement of Inventories as enclosed in Note 7 of Annexure V- A;
 Restated Statement of Trade Receivables as enclosed in Note 8 of Annexure V- A;
 Restated Statement of Cash and Cash Equivalents as enclosed in Note 9 of Annexure V- A;
 Restated Statement of Cash and Cash Equivalents as enclosed in Note 10 of Annexure V- A;
 Restated Statement of Cash and Cash Equivalents as enclosed in Note 11 of Annexure V- A;
 Restated Statement of Equity Share Capital as enclosed in Note 12 of Annexure V- A;
 Restated Statement of Other Equity as enclosed in Note 13 of Annexure V- A;
 Restated Statement of Borrowings as enclosed in Note 14 of Annexure V- A;
 Restated of Other Financial liabilities as enclosed in Note 15 of Annexure V- A;



Restated Statement of Provisions as enclosed in Note 16 of Annexure V- A;
Restated Statement of Deferred Tax Asset (Liabilities) as enclosed in Note 17 of V- A;
Restated Statement of Borrowings as enclosed in Note 18 of Annexure V- A;
Restated Statement of Trade Payables as enclosed in Note 19 of Annexure V- A;
Restated Statement of Other Financial Liabilities as enclosed in Note 20 of Annexure V- A;
Restated Statement of Other Current Liabilities as enclosed in Note 21 of Annexure V- A;
Restated Statement of Provisions as enclosed in Note 22 of Annexure V- A;
Restated Statement of Revenue From Operations as enclosed in Note 23 of Annexure V- A;
Restated Statement of Other Income as enclosed in Note 24 of Annexure V- A;
Restated Statement of Changes in Inventories of Finished Goods & Work-In-Progress as enclosed in Note 25 of Annexure V- A;
Restated Statement of Employee Benefits Expense as enclosed in Note 26 of Annexure V- A;
Restated Statement of Finance Costs as enclosed in Note 27 of Annexure V- A;
Restated Statement of Other Expenses, as enclosed in Note 28 of Annexure V- A;
Restated Statement of Related party Disclosures as enclosed in Note 29 of Annexure V- A;
Restated Statement of Fair Value Measurement as enclosed in Note 30 of Annexure V- A;
Restated Statement of First Time Adoption to Ind AS as enclosed in Note 31 of Annexure V- A;
Restated Statement of Contingent Liabilities and Commitment as enclosed in Note 32 of Annexure V- A;
Restated Statement of Tax Shelter as enclosed in Annexure VI- A;
Restated Summary Statement of Changes in Profit & Loss as enclosed in Annexure VII- A;
Restated Statement of Accounting Ratios as enclosed in Annexure VIII- A;
Restated Statement of Dividend Paid as enclosed in Annexure IX - A;
Restated Statement of Capitalisation as enclosed in Annexure X - A;

9. We have also examined the following Restated Financial Statement of the Company as set out in the following Annexure prepared by the Management and approved by the Board of Directors on September 13, 2018 for each of the financial years ended 31 March, 2015 and 31 March, 2014.

Basis of preparation and significant accounting policies as enclosed in of Annexure IV – B
Restated Statement of Share Capital as enclosed in Note 1 of Annexure V - B
Restated Statement of Reserves & Surplus as enclosed in Note 2 of Annexure V - B
Restated Statement of Long-term Borrowings as enclosed in Note 3 of Annexure V - B
Restated Statement of Deferred Tax Liabilities (Net) as enclosed in Note 4 of Annexure V - B
Restated Statement of Long-term Provisions as enclosed in Note 5 of Annexure V – B
Restated Statement of Short-term borrowings as enclosed in Note 6 of Annexure V – B
Restated Statement of Trade Payables as enclosed in Note 7 of Annexure V - B
Restated Statement of Other Current Liabilities as enclosed in Note 8 of Annexure V - B
Restated Statement of Short-term Provisions as enclosed in Note 9 of Annexure V - B
Restated Statement of Fixed Assets and Depreciation as enclosed in Note 10 of Annexure V - B
Restated Statement of Long-term Loans & Advances as enclosed in Note 11 of Annexure V – B
Restated Statement of Inventories as enclosed in Note 12 of Annexure V - B
Restated Statement of Trade Receivables as enclosed in Note 13 of Annexure V - B
Restated Statement of Cash and Bank Balances as enclosed in Note 14 of Annexure V - B
Restated Statement of Short-term Loans & Advances as enclosed in Note 15 of Annexure V – B
Restated Statement of Other Current Assets as enclosed in Note 16 of Annexure V – B
Restated Statement of Revenue From Operations as enclosed in Note 17 of Annexure V - B
Restated Statement of Other Income as enclosed in Note 18 of Annexure V - B
Restated Statement of Changes in Inventory of Finished Goods as enclosed in Note 19 of Annexure V-B
Restated Statement of Employee Benefits Expense as enclosed in Note 20 of Annexure V – B
Restated Statement of Finance Costs as enclosed in Note 21 of Annexure V - B
Restated Statement of Other Expenses, as enclosed in Note 22 of Annexure V - B
Restated Statement of Other Significant Notes to the Restated Financial Statements, as enclosed in Note 23 to Note 26 of Annexure V-B
Restated Statement of Tax Shelters enclosed in Note 26 to Note 38 of Annexure VI - B



Summary Statement of Adjustments to the Restated Financial Statement enclosed in Annexure VII - B
Restated Statement of Accounting Ratios, as enclosed in Annexure VIII - B
Restated Statement of Dividend Paid, as enclosed in Annexure IX – B

10. Based on the above and according to the information and explanations given to us, we **further report that the “Restated Financial Information” have been** made after incorporating the following:

- (i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed Accounting policy for all the reporting periods;
- (ii) Adjustments and regroupings, as in our opinion are appropriate in the year to which they relate;
- (iii) Adjustments for material amounts in the respective financial years to which they Relate, wherever necessary to do so;
- (iv) Adjustment in Financial Statements have been made in accordance with the Correct accounting policies, which include the impact of provision of gratuity Made on actuarial valuation basis.
- (v) There are no Extra-ordinary items that need to be disclosed separately in the Restated Standalone Summary Statements except as disclosed;
- (vi) Auditor’s qualifications in the financial statements of the year ended on March 31, 2017, 2016, 2015 & 2014 have been adjusted as disclosed in para 6 above.
- (vii) The Company has not paid any dividends on its equity shares during the reporting period.

11. We have complied with relevant applicable requirements of the standards on Quality Control (SQC 1), Quality control for firms that perform Audits and Reviews of Historical Financial Statement and other Assurance and Related Services Engagements.

12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the Management and for inclusion in the offer document to be filed with Securities and Exchange Board of India, relevant Stock Exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India, in connection with the Offer. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For H.K. Shah & Co
Chartered Accountants
Firm Registration No.: - 109583W

Malav Desai
Partner
Membership No.135524
Place: **Ahmedabad**
Date: **September 24, 2018**


**Ideal Systems Limited (Previously known as Ideal Systems Private Limited)
Restated Standalone Summary Statement of Assets and Liabilities**
**Annexure I - A
(Rs. In Lacs)**

Particulars	Note No.	As at 31st March, 2018 (Ind AS)	As at 31st March, 2017 (Ind AS)	As at 31st March, 2016 (Proforma Ind AS)
ASSETS:				
Non -Current Assets				
Property, Plant & Equipment	2	176.39	120.35	146.47
Capital Work in Progress		-	-	-
Goodwill		-	-	-
Other Intangible Assets	2	246.52	104.65	-
Financial Assets :				
Investments	3	-	175.00	150.00
Loans	4	449.99	716.95	515.04
Other Financial Assets	5	266.47	231.94	132.37
Other Non-current Assets	6	3.50	3.50	335.50
		1,142.87	1,352.39	1,279.38
Current Assets				
Inventories	7	498.35	206.78	260.20
Financial Assets:				
Trade Receivables	8	2,844.71	1,393.31	1,306.67
Cash and Cash Equivalents	9	204.98	183.69	52.88
Loans	10	188.87	44.06	30.58
Other Current Assets	11	129.17	153.07	225.61
		3,866.08	1,980.91	1,875.94
TOTAL		5,008.95	3,333.30	3,155.32
EQUITY AND LIABILITIES:				
Equity:				
Equity Share Capital	12	206.02	192.54	192.54
Other Equity	13	2,424.51	2,283.39	1,800.73
		2,630.53	2,475.93	1,993.27
Non-Current Liabilities:				
Financial Liabilities:				
Borrowings	14	40.55	49.93	68.77
Other Financial Liabilities	15	-	6.05	96.50
Provisions	16	19.54	27.49	22.79
Deferred Tax Liabilities/ (Assets) (Net)	17	(26.41)	(26.43)	3.44
		33.68	57.04	191.50
Current Liabilities:				
Financial Liabilities:				
Borrowings	18	408.03	405.31	404.85
Trade Payables	19	1793.19	258.40	494.22
Other Financial Liabilities	20	0.08	0.53	0.50
Other Current Liabilities	21	129.46	114.51	50.08
Provisions	22	13.98	21.58	20.90
		2,344.70	800.33	970.55
TOTAL		5,008.95	3,333.30	3,155.32

Ideal Systems Limited (Previously known as Ideal Systems Private Limited)
Restated Standalone Summary Statement of Profit & Loss

Annexure II - A
(Rs. In Lacs)

Particulars	Note No.	For the year ended 31 March, 2018 (Ind AS)	For the year ended 31 March, 2017 (Ind AS)	For the year ended 31 March, 2016 (Proforma Ind AS)
Revenue from operations	23	3,338.52	3,826.38	3,137.77
Other income	24	75.78	103.94	45.43
Total revenue		3,414.30	3,930.32	3,183.20
Expenses				
(a) Cost of materials consumed		-	-	-
(b) Purchases of stock-in-trade		1,410.23	3,043.20	2,355.42
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(291.57)	53.42	(135.63)
(e) Employee benefits expense	26	138.57	145.85	172.92
(f) Finance costs	27	50.17	68.54	58.28
(g) Depreciation , amortisation and impairment expenses	2	49.86	68.08	59.04
(h) Other expenses	28	1,919.80	474.99	548.88
Total expenses		3,277.06	3,854.08	3,058.91
Profit / (Loss) before tax		137.24	76.24	124.29
Tax expense:				
(a) Current tax expense for current year		31.21	57.80	47.23
(b) Deferred tax	17	13.56	(23.36)	(0.22)
(c) MAT Credit		-	-	5.19
Profit / (Loss) for the year		92.47	41.80	72.09
Other Comprehensive Income(OCI):				
Re-measurement losses on post employment defined benefit plans		11.64	1.38	3.01
Income Tax effect		(3.21)	(0.38)	(1.00)
Total		8.43	1.00	2.01
Net loss/(gain) on Fair Value through OCI(FVTOCI) on equity securities				
Other Comprehensive income/(loss) for the year (net of tax)		(60.80)	(25.00)	-
Tax Effect on the above		16.75	6.89	-
Total		(44.05)	(18.11)	-
Total Comprehensive income for the year (net of tax)		56.85	24.69	74.10
Earnings per Share (EPS) for Profit for the period	Anne xue - VIII - A			
* Adjusted EPS Worked out after considering Bonus Issue				
Adjusted* Basic (Rs.)		0.67	0.30	0.53
Adjusted* Diluted (Rs.)		0.67	0.30	0.53

Ideal Systems Limited (Previously known as Ideal Systems Private Limited)
Restated Standalone Summary Statement of Cash Flows

Annexure III - A
(Rs. In Lacs)

Particulars	For the Year Ended 31 March, 2018	For the Year Ended 31 March, 2017	For the Year Ended 31 March, 2016
A. Cash flow from operating activities			
Net Profit / (Loss) before tax	137.24	76.24	124.29
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	49.86	68.08	59.04
Provision for Gratuity	3.86	6.20	5.66
Finance costs	50.17	68.54	58.29
TDS Receivable Write back	-	3.58	-
Interest income	(73.95)	(80.51)	(43.69)
Operating profit / (loss) before working capital changes	167.18	142.13	203.59
<i>Changes in working capital:</i>			
<i>Adjustments for (increase) / decrease in operating assets and liabilities:</i>			
Inventories	(291.56)	53.41	(135.63)
Trade Receivables	(1,451.40)	(86.64)	292.81
Other Assets	(167.38)	10.97	(33.85)
Trade payables	1,534.78	(235.80)	(429.27)
Other Liabilities	9.43	65.48	(130.25)
<i>Net Changes in working capital:</i>	(366.13)	(192.58)	(436.19)
Cash generated from operations	(198.95)	(50.45)	(232.60)
Net income tax (paid) / refunds	(9.74)	(13.30)	(74.58)
Net cash flow from / (used in) operating activities (A)	(208.69)	(63.75)	(307.18)
B. Cash flow from investing activities			
Capital expenditure on property, plant and equipment, including capital advances, if any	(1.25)	(41.96)	(36.30)
Capital expenditure on intangible assets under Development	(246.52)	(104.65)	-
Long Term Loans & Advances realized	191.64	30.52	(916.57)
Interest received	73.95	80.51	43.69
Investment	180.00	(50.00)	(150.00)
Net cash flow from / (used in) investing activities (B)	197.82	(85.58)	(1,059.18)
C. Cash flow from financing activities			
Proceed received against unpaid calls	13.48	-	101.72
Repayment/proceeds of non-current borrowings (Net)	(15.43)	(109.29)	(52.92)
Increase in Securities Premium	84.27	457.97	1,274.16
Finance Costs	(50.17)	(68.54)	(58.29)
Net cash flow from / (used in) financing activities (C)	32.15	280.14	1,264.67
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	21.28	130.81	(101.69)
Cash and cash equivalents at the beginning of the year	183.70	52.88	154.57
Cash and cash equivalents at the end of the year	204.98	183.69	52.88

Ideal Systems Limited (Previously known as Ideal Systems Private Limited)
Restated Standalone Summary Statement of Changes in Equity

Annexure IV - A
(Rs. In Lacs)

a. Equity Share Capital

	No. of Shares	In INR
Equity Shares of INR 10/- each issued, subscribed and fully Paid-up:		
As at March 31, 2016	2361320	23613200
As at March 31, 2017	2361320	23613200
As at March 31, 2018	2361320	23613200

Particulars	Reserves & Surplus			Items of OCI	TOTAL
	Securities Premium	General Reserve	Retained Earning	FVTOCI	
As at April 1, 2015	-	312.22	140.25	-	452.47
Add: Addition during the year	1274.16	-	-	-	1274.16
Add: Profit for the year	-	-	72.09	-	72.09
Add : Other Comprehensive Income	-	-	-	2.01	2.01
Total Comprehensive Income	1274.16		215.07	2.01	1800.73
Transactions with owners in their capacity as owners:					
Dividend					
Corporate Dividend Tax on Dividend (Net of CDT Credit)					
As at March 31, 2016	1274.16	312.22	215.07	2.01	1800.73
Add: Addition during the year	457.97	-	-	-	457.97
Add: Profit for the year	-	-	41.80	-	41.80
Less : Other Comprehensive Income	-	-	-	(17.11)	(17.11)
Total Comprehensive Income	1732.13	312.22	256.87	(15.10)	2283.39
Transactions with owners in their capacity as owners:					
Dividend					
Corporate Dividend Tax on Dividend (Net of CDT Credit)					
As at March 31, 2017	1732.13	312.22	256.87	(15.10)	2283.39
Add: Addition during the year	84.27	-	-	-	84.27
Add: Profit for the year	-	-	92.47	-	92.47
Less : Other Comprehensive Income	-	-	-	(35.62)	(35.62)
Total Comprehensive Income	1816.4	312.22	349.34	(50.72)	2424.51
Transactions with owners in their capacity as owners:					
Dividend					
Corporate Dividend Tax on Dividend (Net of CDT Credit)					
As at March 31, 2018	1816.4	312.22	349.34	(50.72)	1919.01

Annexure V – A : Notes to Restated Financial Information

Note 1: Statement of significant accounting policies and practices

A. General Information

Ideal Systems Limited [“the Company”] (Subsidiary of ASYA Infosoft Limited), incorporated and domiciled in India, operates as a company with business of trading of computer hardware and software, maintenance contract of computer and software development and Information Technology enabled services. The company also undertakes government contract for digitization of database, development, training and maintenance of various customized software. The company has been accorded L1 status for government tender based work.

The registered office of the Company is located at 4th floor, Near under bridge, stadium five roads, Navrangpura, Ahmedabad - 380009.

B. Basis of Accounting & Preparation of Financial Statements

B.1. Statement of compliance with Ind AS

The Restated Statement of Assets and Liabilities of the Ideal Systems Limited as at March 31, 2018, March 31, 2017, and March 31, 2016 and related the Restated Summary Statement of Profit and Loss, Restated Summary Statement of Cash Flow for the year ended as at March 31, 2018, March 31, 2017, and March 31, 2016 (hereinafter collectively referred to as "Restated Financial Information") have been prepared specifically for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering through Offer for Sale (IPO) of its equity shares.

These Restated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of Companies Act, 2013 (the ‘Act’) and other relevant provisions of the Act.

These Restated Financial Information have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 on Prospectus and Allotment of Securities and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Regulations") as amended from time to time.

The Company has adopted all the relevant Ind AS and the adoption was carried out in accordance with Ind AS 101, “First Time Adoption of Indian Accounting Standards”. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliation and description of the effect of the transition have been summarized in Note 31.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles.

The Proforma Financial Information of the Company as at and for the year ended March 31, 2016, is prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated March 31, 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while preparing proforma financial information for the FY 2015-16 and accordingly suitable restatement adjustments in the accounting heads have been made in the proforma financial information. This proforma Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2016.

B.2. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lacs, unless otherwise indicated

B.3. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items:

ITEMS	MEASUREMENT BASIS
1) Employee Defined Benefit Plan	Present Value of Estimated Liability
2) Investments	Fair Value
3) Certain Financial Assets	Fair Value

B.4. Use of Estimates and Judgments

In preparing these financial statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to the accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the respective note.

Assumptions and Estimation Uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the respective note.

B.5. Measurement of Fair Values

The Company has established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as financial statements and material events after the date of financial statements of respective third party, is used to measure fair values, then the Company assesses the evidence obtained from the respective third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

C. Significant Accounting Policies

C.1 Foreign Currency

Transactions in foreign currencies are translated into the functional currency of the Company at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognised in the profit or loss, except exchange differences arising from the translation of qualifying cash flow hedges to the extent hedges are effective which are recognised in Other Comprehensive Income (OCI).

C.2. Financial Instruments

1. Financial Assets

(i) Classification & Measurement

The Company classifies its financial assets in the following measurement categories:

- Those measured at amortized cost and
- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss)

At initial recognition, the Company measures a financial asset when it becomes a party to the contractual provisions of the instruments and measures it at transaction price.

(ii) Subsequent Measurement and Gains and Losses

- Financial Assets at FVTPL

These assets are subsequently measured at fair value. Net gains/ (losses) is recognized in profit or loss.

- Financial Assets at FVOCI

These assets are subsequently measured at fair value. Net gains/ (losses) is recognized in Other Comprehensive Income.

- Financial Assets at amortised cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Impairment & any gain or loss on de-recognition is recognized in profit or loss.

(ii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

2. Financial Liabilities

(i) Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortized cost or FVTPL. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(ii) Derecognition

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

3. Offsetting

Financial assets and financial liabilities are off set and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

C.3. Property, Plant and Equipment

i. Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and nonrefundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Low value items which are in the nature of assets (excluding immovable assets) and valuing upto Rs. 5000/- are not capitalized and charged to Statement of Profit and Loss in the year of acquisition.

iv. Depreciation/Amortisation

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Useful lives as prescribed under Schedule II of the Companies Act, 2013 is used.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Depreciation on impaired assets is calculated on its reduced value, if any, on a systematic basis over its remaining useful life.

v. Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

C.4. Intangible Assets

i. Initial Recognition and Classification

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

iii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

iv. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Capitalized cost incurred towards purchase/development of software is amortized using straight line method over its **useful life of five years** as per revised estimate by the management in FY 17-18 **as against three years** as estimated by the management at the time of capitalization.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

v. Derecognition

An item of an intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

C.5 Inventories

Inventories of Traded goods are recognized at cost or realisable value whichever is less. Cost comprises of Purchase cost and all the expenses incurred to bring the material at their present location and condition. Indirect taxes paid at the time of purchase is excluded from the cost of Traded Goods. And inventories of work in progress of service contract are recognised on the basis of best estimates of the management with regards to cost incurred and completion stage of the contract.

C.6. Impairment

The Property, Plant and Equipment and Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets [cash generating units]. Non-financial assets other than Goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

C.7. Employee Benefits

i. Short Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

ii. Defined Benefit Plan

Company has made provision for gratuity payable based on the estimated working by the management without any technical support of actuarial valuation in their Audited Financial Statements.

However, to comply with the Ind AS - 19 "Employee Benefits" while preparing restated financial Information Company had appointed a qualified actuary to perform the calculation of defined benefit obligation using the projected unit credit method.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the Asset Ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined

benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C.8. Provisions (other than Employee Benefits), Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present legal obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted

to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements.

A contingent asset is neither recognized nor disclosed if inflow of economic benefit is probable.

C.9. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is shown net of returns, trade allowances, rebates, value added taxes and volume discounts.

Sales Tax/ Service Tax/Value Added Tax [VAT]/Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the goods by the Company on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized:

Sale of Goods:

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Service Income

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of service tax, wherever applicable

Interest Income:

Interest income from a financial asset is recognized when it is probable that economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and the rate applicable.

Other Income:

Other income is recognized when no significant uncertainty as to its determination or realization exists.

C.10. Income Tax

Current Tax:

Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax items are recognized in co-relation to the underlying transaction either in statement of profit and loss, Other Comprehensive Income or directly in Equity.

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realized or the liability is settled.. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

MAT credit entitlement:

Minimum Alternate Tax [MAT] paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset based on historical experience of actual utilization of such credit and only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. Such asset, if any recognized, is reviewed at each Balance sheet date and the carrying amount is written down to the extent there is no longer a convincing evidence that the company will be liable to pay normal tax during the specified period.

C.11. Borrowing Cost

Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognized as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalized as part of the cost of such assets, up to the date the assets are ready for their intended use.

C.12. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year plus potential equity shares.

C.13. Cash and Cash Equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

C.14. Statement of Cash Flow

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a noncash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

C.15. Segment Reporting

The company is engaged into trading of hardware & Software and sale of service in the nature of Development and maintenance of software and IT systems. The nature of activity and business of the company is such that sale of hardware software become incidental to the main business of sale of services. Accordingly, In terms of Ind AS-108 on "Operating Segments" the company neither has more than one business segment nor more than one geographical segment requiring separate disclosures as there are no more distinguishable component or economic environments of the enterprise engaged in providing individual product or service or a group of related products or services and the same are not subjected to different risks and returns either of business or geographical segments.

C.16. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition. However, lease classification is determined at the inception of lease.

Disclosure in respect of assets taken on lease:

The Company uses certain hardwares such as computers, scanners and printers on lease basis for some specific projects at some of the locations. There is a not pre-defined lease period or lease term. The company will use these equipment till the completion of the specific projects wherein these equipment are used.

C.17. Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitments affecting the financial position are disclosed in the Director's Report.

The Company has declared bonus shares in the ratio of 5 equity shares for each equity share held as on August 29, 2018.

C.18. Management represents that, based on information available, the Company has not been informed by any supplier of being covered under the micro, small and medium Enterprises Development Act 2006. As a result, no interest provision or payment have been made

C.19. Previous year's figures have been regrouped / reclassified to make them comparable with those of the current year, wherever necessary.

Note 2 - Restated Details of Property, Plant & Equipment

(Rs. In Lacs)

For the Year Ended 31 March, 2018

Property, Plant and Equipment	Useful Life (In Years)	Gross Block				Accumulated Depreciation/ Amortisation				Net Block	
		Balance as at 1st April 2017	Additions during the year	Deletion during the year	Balance as at 31st March 2018	Balance as at 1st April 2017	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2018	Balance as at 31st March 2018	Balance as at 31st March 2017
Tangible assets											
Own Assets											
Office Premises	30	20.01	0	0	20.01	6.56	0.89	0	7.45	12.56	13.45
Electric Fittings and Office Equipments	10	11.85	1.25	0	13.10	10.96	0.37	0	11.33	1.77	0.89
Furniture and Fixtures	10	15.55	0	0	15.55	15.29	0.19	0	15.48	0.07	0.26
Software Assets	5	237.90	104.65	0	342.55	190.37	35.87	0	226.24	116.31	47.53
Computer	5	124.26	0	0	124.26	73.62	11.91	0	85.53	38.73	50.64
Biometric	15	9.61	0	0	9.61	3.30	0.53	0	3.83	5.78	6.31
Machinery and Acc	15	1.52	0	0	1.52	0.25	0.1	0	0.35	1.17	1.27
Barcode Printer	15	1.52	0	0	1.52	0.25	0.1	0	0.35	1.17	1.27
Total (A)		420.70	105.90	0.00	526.60	300.35	49.86	0.00	350.21	176.39	120.35
P.Y Total		378.74	41.96	0.00	420.70	232.27	68.08	0.00	300.35	120.35	146.47
Software Under Development		104.65	246.52	104.65	246.52	-	-	-	-	246.52	-

*The company has estimated that useful life of the Softwares would be 5 years instead of 3 years as prescribed under Schedule II of the Companies Act, 2013. Depreciation on the basis of 5 years estimated life has been calculated prospectively from FY 17-18.

For the Year Ended 31 March, 2017

Property, Plant and Equipment	Useful Life (In Years)	Gross Block				Accumulated Depreciation/ Amortisation				Net Block	
		Balance as at 1st April 2016	Additions during the year	Deletion during the year	Balance as at 31st March 2017	Balance as at 1st April 2016	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2017	Balance as at 31st March 2017	Balance as at 31st March 2016
Tangible assets											
Own Assets											
Office Premises	30	20.01	0	0	20.01	5.67	0.89	0	6.56	13.45	14.34
Electric Fittings and Office Equipments	10	11.85	0	0	11.85	10.50	0.46	0	10.96	0.89	1.35
Furniture and Fixtures	10	15.55	0	0	15.55	14.88	0.41	0	15.29	0.26	0.67
Software Assets	3	237.90	0	0	237.90	141.48	48.89	0	190.37	47.53	96.42
Computer	3	85.21	39.05	0	124.26	56.72	16.9	0	73.62	50.64	28.49
Biometric Machinery and Acc	15	6.70	2.91	0	9.61	2.87	0.43	0	3.30	6.31	3.83
Barcode Printer	15	1.52	0	0	1.52	0.15	0.10	0	0.25	1.27	1.37
Total (A)		378.74	41.96	0.00	420.70	232.27	68.08	0.00	300.35	120.35	146.47
P.Y Total		342.48	36.26	0.00	378.74	173.23	59.04	-	232.27	146.47	169.24
Softwares		-	-	-	-	-	-	-	-	-	-
Software Under Development		-	104.65	-	104.65	-	-	-	-	104.65	-

For the Year Ended 31 March, 2016

Property, Plant and Equipment	Useful Life (In Years)	Gross Block				Accumulated Depreciation/ Amortisation				Net Block	
		Balance as at 1st April 2015	Additions during the year	Deletion during the year	Balance as at 31st March 2016	Balance as at 1st April 2015	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2016	Balance as at 31st March 2016	Balance as at 31st March 2015
Tangible assets											
Own Assets											
Office Premises	30	20.01	0.00	0.00	20.01	4.78	0.89	-	5.67	14.34	15.23
Electric Fittings and Office Equipments	10	11.85	0	0	11.85	9.87	0.63	-	10.50	1.35	1.98
Furniture and Fixtures	10	15.55	0	0	15.55	14.47	0.41	-	14.88	0.67	1.08
Software Assets	3	237.90	0	0	237.90	92.60	48.88	-	141.48	96.42	145.30
Computer	3	48.95	36.26	0	85.21	48.94	7.78	-	56.72	28.49	-
Biometric Machinery and Acc	15	6.70	0	0	6.70	2.52	0.35	-	2.87	3.83	4.18
Barcode Printer	15	1.52	0	0	1.52	0.05	0.10	-	0.15	1.37	1.47
Current Year Total		342.48	36.26	0.00	378.74	173.23	59.04	-	232.27	146.47	169.24
Previous Year Total		194.30	148.18	-	342.48	137.43	3.79	32.01	173.23	169.24	56.87

Note 3 : Restated Statement of Non Current Investments
(Lacs)

(Rs. In

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Investments in Preference Shares(At Fair Value)			
Easy Advisory Services Pvt. Ltd *	-	25.00	50.00
Accurate Tradelink Pvt. Ltd.**	-	100.00	100.00
Narita Tradelink Pvt Ltd**	-	50.00	-
Total	-	175.00	150.00

*The Company has disclosed Non – Current Investments at FVTOCI. To arrive at the Fair value Management has used its best judgment based on the available information and development in the circumstances and conditions. Fair value of the Individual investments is reassessed at each Balance Sheet Date. Further, corporate has converted its status from Company to LLP and accordingly had transferred the outstanding amount of preference share capital in the name of the Company as Borrowing from the Company as can be confirmed from the Financial Statement of that Company.

**Shares of Accurate Tradelink Pvt. Ltd. & Narita Tradelink Pvt. Ltd. were sold at cost price during the Year 2017-18.

Note 4 :Restated Statement of Loans & Advances

(Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Loans and Advances Given to Corporates			
Unsecured, considered good	449.99	716.95	515.04
Total	449.99	716.95	515.04

*Loans &Advances consist of Loans & Advances given to other corporate as trade deposits or as a business advance. Business Loans are interest bearing and given without any specific written repayment schedule.

Note 5 :Restated Statement of Other Financial Assets

(Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
(a) Trade deposits			
Unsecured, considered good	21.89	6.04	6.04
(b) Fixed Deposit with banks for a period more than 12 months *	132.79	136.29	101.44
(c)Interest Receivable	111.79	89.61	24.89
Total	266.47	231.94	132.37

*It includes deposit given as collateral security for Cash Credit Facility from Bank of Baroda and margin money for bank Guarantee.

Note 6 : Restated of Non-Current Assets

(Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Capital Advances*	-	-	332.00
Balances With Statutory Authorities	3.50	3.50	3.50
Total	3.50	3.50	335.50

*Capital advances represent the advances given to the developer for purchase of Office premises for business expansion. However, the same deal could not be concluded and the Company received back entire advance within 12 months from the developer.

Note 7: Restated Statement of Inventories**(Rs. In Lacs)**

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(ProformaInd AS)
(As taken, valued & certified by management)			
(a) Work-in-progress	498.35	204.92	260.20
(b) Finished goods	-	1.86	-
Total	498.35	206.78	260.20

* Inventories of work in progress of service contract are recognised on the basis of best estimates of the management with regards to cost incurred and completion stage of the service contract.

Note 8: Restated Statement of Trade Receivables**(Rs. In Lacs)**

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(ProformaInd AS)
Secured - Considered Good	-	-	-
Unsecured - Considered Good	2,844.71	1,393.31	1,306.67
Unsecured - Considered Doubtful	46.64	44.06	43.50
	2,891.35	1,437.37	1,350.17
Less : Allowance for expected credit loss	46.64	44.06	43.50
Total	2,844.71	1,393.31	1,306.67

Note 9: Restated Statement of Cash & Cash Equivalents**(Rs. In Lacs)**

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(ProformaInd AS)
(a) Cash on hand	188.74	160.36	51.82
(b) Bank account	16.24	23.33	1.06
Total	204.98	183.69	52.88

Note 10 : Restated Statement of Loans**(Rs. In Lacs)**

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(ProformaInd AS)
Unsecured, considered good	11.78	11.67	0.15
Loans and advances to others	177.09	32.39	30.43
Total	188.87	44.06	30.58

Note 11 :Restated Statement of Other Current Assets(Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(ProformaInd AS)
Earnest money deposit	20.41	22.41	24.14
Advance to Supplier	97.60	99.10	126.69
Prepaid Expenses	0.01	0.05	0.07
Balances With Statutory Authorities	11.15	31.51	74.71
Total	129.17	153.07	225.61

**Note 12 Restated Statement of equity
Lacs)****(Rs. In**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
	(IND AS)	(IND AS)	(Proforma IND AS)

(a) Authorised 4000000 Equity shares of ` 10 each with voting rights	400	400	400
(b) Issued 2361320 Equity Shares of Rs.10 each with voting rights	236.13	236.13	236.13
(c) Called Up 908200 Equity Shares of Rs.10 each	90.82	90.82	90.82
1453120 Equity Shares of Rs.10 each (Rs.7 Called up till March 31, 2017)	145.31	101.72	101.72
(c) Paid Up 908200 Equity Shares of Rs.10 each	90.82	90.82	90.82
1453120 Equity Shares of Rs.10 each (Rs.7 called up till March 31, 2017)	115.20	101.72	101.72
Total	206.02	192.54	192.54

Particulars	As at 31st March, 2018	As at 31 March, 2017	As at 31 March, 2016
	No. of shares	No. of shares	No. of shares
	(IND AS)	(IND AS)	(Proforma IND AS)
Equity shares at the beginning of the year	2361320	2361320	908200
Add: Shares issued during the year	0	0	1453120
Equity shares at the end of the year	2361320	2361320	2361320

Note 2.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
	% holding in that class of shares	% holding in that class of shares	% holding in that class of shares
Equity shares with voting rights			
Sandip R Shah	16.59%	16.59%	16.59%
Sanare Information Technology Pvt Lytd	6.35%	6.35%	6.35%
Dimpal Tapan Pandya	6.35%	6.35%	0.00%
Ketan N Shah	4.94%	4.94%	11.30%
ASYA Info soft Ltd (Holding Co)	61.54%	61.54%	61.54%

Note 2.3 Shares held by holding or ultimate holding company and/or their subsidiary/ associate

Class of shares / Name of shareholder	No. of shares	No. of shares	As at 31st March, 2016
	% holding in that class of shares	% holding in that class of shares	% holding in that class of shares
Equity shares with voting rights			
ASYA Info soft Ltd (Holding Co)	61.54%	61.54%	61.54%

Note 13 Restated Statement of Other Equity (Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Securities premium*			
Opening balance	1,732.13	1,274.16	-
Add : Premium on shares issued during the year	84.27	457.97	1,274.16
Less : Utilised during the year for:	-	-	-
Closing balance	1,816.40	1,732.13	1,274.16
General reserve*			
Opening balance	312.22	312.22	312.22
Add: Transferred from surplus in Statement of Profit and Loss	-	-	-
Less: Utilised / transferred during the year for	-	-	-
Closing balance	312.22	312.22	312.22
Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance	-	-	-
Add: Other adjustment due to impairment	239.04	214.35	140.25
Add: Profit / (Loss) for the year	-	-	-
	56.85	24.69	74.10
Closing balance	295.89	239.04	214.35
Total	2,424.51	2,283.39	1,800.73

Note 14 : Restated Statement of Borrowings

(Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Loans and advances from Directors	-	-	-
Unsecured	1.20	7.43	10.78
Inter Corporate Deposit	-	-	-
Unsecured	39.35	42.50	57.99
Total	40.55	49.93	68.77

Note 14.1 Principal Terms & Conditions of Unsecured Loans

Unsecured loans taken from Directors/Promoters/Promoter Group/Associates/Relatives of Directors/Group Companies/other entities are interest free and all are taken without any precondition attached towards repayment.

Note 15: Restated Other Financial Liabilities (Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Security Deposit	-	6.05	96.50
Total	-	6.05	96.50

Note 16: Restated Statement of Provisions (Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Long Term Provisions			
Provision For Gratuity	19.54	27.49	22.79
Total	19.54	27.49	22.79

Note 17: Restated Statement of Deferred Tax Liabilities/ (Assets) (Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Deferred Tax Liabilities	24.31	17.35	27.10
Deferred Tax Assets	(50.72)	(43.78)	(23.66)
Net deferred Tax Liability/(Assets)	(26.41)	(26.43)	3.44

Note 18: Restated Statement of Current Borrowings (Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
(a) Loans repayable on demand			
From banks			
Bank of Baroda CC	306.95	304.08	303.77
Bank of Baroda Bank OD (EMD)	101.08	101.23	101.21
Syndicate bank OD secured	-	-	(0.13)
Total	408.03	405.31	404.85

Name of Lender	Purpose	Sanctioned Amount	ROI/Commission	Prime Securities Offered	Collateral Securities Offered
Bank of Baroda	Cash Credit	300	10.85% p.a.	All the stocks, book debts, Plant & Machineries and all other movable assets of the company	Offices at 4th Floor, H.N. House, near old high court, Ahmedabad.
Bank of Baroda	Clean Overdraft Facility(sub limit cleanOD for Expense purpose)	100 (60)			Plot at Sanand FDR of Rs.53 Lacs. LIC Policies of Ketan Shah and Sandeip Shah. Personal Guarantee of Ketan Shah, Sandip Shah, Hemal Ketan Shah, Mona Sandip Shah & Jignesh Shah. 1,00,000 shares of Asya Infosoft in the name of Ketan Shah and 10,000 Shares of Asya Infosoft in the name of Mona Shah.

Note 19: Restated Trade Payables (Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Trade payables:			
Due to Micro & Small Enterprises	-	-	-

Other than Micro & Small Enterprises	1,793.19	258.40	494.22
Total	1,793.19	258.40	494.22
Disclosure in respect of Micro, Small and medium Enterprise:	-	-	-
[A] Principal amount remaining unpaid to any suppliers as at year end	-	-	-
[B] Interest due thereon	-	-	-
[C] Amount of interest paid by the company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
[D] Amount of the interest due and payable for the year of delay in making payment (which have been but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-	-
[E] Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
[F] Amount of further interest remaining due and payable in succeeding years	-	-	-
The above information has been complied in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on their basis of information available with the company.	-	-	-

Note 20: Restated Other Financial Liabilities (Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Security deposit refundable	0.08	0.53	0.50
Total	0.08	0.53	0.50

Note 21: Restated Other Current Liabilities (Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Statutory remittances (Contributions to PF and ESIC, Excise Duty, VAT, Service Tax, TDS Payable etc.)	129.46	114.51	50.08
Total	129.46	114.51	50.08

Note 22: Restated Provisions (Rs. In Lacs)

Particulars	As At 31 March 2018	As At 31 March 2017	As At 31 March 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Provision for Employee Benefits	9.23	16.08	16.73
Provision for Gratuity	1.32	1.15	1.02
other provisions	3.43	4.35	3.15
Total	13.98	21.58	20.90

Note 23: Restated Statement of Revenue from Operations (Rs. In Lacs)

Particulars	For the year ended 31 March, 2018 (Ind AS)	For the year ended 31 March, 2017 (Ind AS)	For the year ended 31 March, 2016 (Proforma Ind AS)
Sale of Products			
Sale of products			
Sale of Services	1,419.06	3,066.70	2,367.35
Sale of Service	1,773.81	759.14	770.42
IT service job charge	143.26	-	-
Other operating revenues			
Sundry balances back	2.39	0.49	-
Discount	-	0.05	-
Total	3,338.52	3,826.38	3,137.77

Note 24: Restated Statement of Other Income (Rs. In Lacs)

Particulars	For the year ended 31 March, 2018 (Ind AS)	For the year ended 31 March, 2017 (Ind AS)	For the year ended 31 March, 2016 (Proforma Ind AS)
Interest income (Note : 18.a)	73.96	80.51	43.69
Other non-operating income	1.82	23.43	1.74
Total	75.78	103.94	45.43

Particulars	For the year ended 31 March, 2018 (Ind AS)	For the year ended 31 March, 2017 (Ind AS)	For the year ended 31 March, 2016 (Proforma Ind AS)
Interest on FD Long term investment	8.50	7.78	8.13
Interest on Other Deposits	65.46	72.73	35.56
Total - Interest income	73.96	80.51	43.69

Particulars	For the year ended 31 March, 2018 (Ind AS)	For the year ended 31 March, 2017 (Ind AS)	For the year ended 31 March, 2016 (Proforma Ind AS)
Interest on income tax refund	1.82	7.75	1.59
Franchisee Fees	-	-	0.15
Income Tax Refund	-	15.68	-
Total - Other non-operating income	1.82	23.43	1.74

Note 25: Restated Statement of Changes in Inventories (Rs. In Lacs)

Particulars	For the year ended 31 March, 2018 (Ind AS)	For the year ended 31 March, 2017 (Ind AS)	For the year ended 31 March, 2016 (Proforma Ind AS)
<u>Inventories at the end of the year:</u>			
Work-in-progress	498.35	204.92	260.20
Stock-of-trading goods	-	1.86	-
	498.35	206.78	260.20
<u>Inventories at the beginning of the year:</u>			
Work-in-progress	204.92	260.20	124.35
Stock-of-trading goods	1.86	-	0.22

	206.79	260.20	124.57
Net (increase) / decrease in inventory			
Work-in-progress	(293.43)	55.28	(135.85)
Stock-of-trading goods	1.86	(1.86)	0.22
	(291.57)	53.42	(135.63)

Note 26 Restated Statement of Employee Benefit Expenses

(Rs. In Laacs)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	(Ind AS)	(Ind AS)	(ProformaInd AS)
Salaries and wages, Allowances & Bonus etc.	121.86	124.61	139.17
Contribution to Provident & Other Funds	11.62	13.66	20.14
Gratuity expense	3.86	6.20	5.66
Staff Welfare Expenses	1.23	1.38	7.95
Total	138.57	145.85	172.92

Particulars	For the year ended		
	31.03.2018	31.03.2017	31.03.2016
	Ind AS	Ind AS	ProformaInd AS
	Ind AS	Ind AS	ProformaIndAS
I - Expenses recognized in the Statement of Profit and Loss:			
Current Service Cost	1.66	4.44	4.03
Interest Cost	2.20	1.76	1.63
Expenses recognized during the year	3.86	6.20	5.66
Expenses recognized in other comprehensive income (OCI)			
Actuarial (gain)/losses on obligation for the period	-11.64	-1.38	-3.01
Return on Plan Assets, Excluding Interest Income	0.00	0.00	0.00
Change in Asset Ceiling	0.00	0.00	0.00
Net (Income)/Expenses For the Period Recognised in OCI	-11.64	-1.38	-3.01
III - Movement in net liability recognized in Balance Sheet			
As at the beginning of the Year - (liability)/Asset	28.64	23.81	21.16
Expenses recognized during the year in Statement of Profit and Loss	1.66	4.44	4.03
Expenses recognized during the year in OCI	-11.64	-1.38	-3.01
Interest Cost	2.20	1.76	1.63
Contributions made	0.00	0.00	0.00
As at the end of the year representing reconciliation of the opening and closing	20.86	28.64	23.81
As at the beginning of the Year Interest Income	0.00	0.00	0.00
Contributions made	0.00	0.00	0.00
Benefit paid from the fund	0.00	0.00	0.00
Return on Plan Assets, Excluding Interest Income As at the end of the year	0.00	0.00	0.00
V - Net (Liability) recognized in the balance sheet			
Present Value of Benefit Obligations at the end of the period	20.86	28.64	23.81
Fair Value of Plan Assets at the end of the period	0.00	0.00	0.00
Net (Liability)/Asset recognized in the Balance Sheet	20.86	28.64	23.81
VI - Return on Plan Assets			
Expected return on plan assets	0.00	0.00	0.00

Actuarial (loss)/gain	0.00	0.00	0.00
Actuarial return on plan assets	0.00	0.00	0.00
percentage of total plan assets Insurer Managed Funds	0.00	0.00	0.00
VIII - Principal actuarial assumptions			
	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Mortality			
Discount rate	7.70%	7.40%	7.70%
Expected Rate of Return on Plan Assets	0	0	0
	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale
Rate of Employee Turnover			
Annual increase in salary cost	7.00%	7.00%	7.00%

Note 27: Restated Statement of Finance Cost (Rs. In Lacs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016	For the year ended 31 March, 2011
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
(a) Interest expense			
(i) On short term loans from banks	44.79	56.74	52.66
(ii) Other interest charges	2.37	8.88	2.06
(b) Other borrowing costs	-	-	-
Other finance cost	3.01	2.92	3.56
Total	50.17	68.54	58.28

Note 28: Restated Statement of Other Expenses (Rs. In Lacs)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	(Ind AS)	(Ind AS)	(Proforma Ind AS)
Advertisement	-	0.06	0.02
Cartage	0.01	0.01	0.02
CMMI L3 ISO 27001 certificate expense	0.72	-	-
Commission	0.90	-	-
Computer, scanner rent expense	-	-	82.20
Data entry service charge	1,883.32	428.36	389.04
Digital expense	0.01	-	-
Discount expenses	0.17	0.51	1.10
Donations	1.00	-	10.00
Entertainment expense	0.05	-	-
Franking Expenses	0.01	0.00	0.64
Income Tax	0.01	-	-
Insurance	2.36	0.10	0.35
Internet charges	0.91	0.23	0.37

Late fee GST	0.02	-	-
Legal and professional	4.09	6.09	4.65
Loss on sale of asset	-	2.02	-
Maintenance support service	4.90	-	-
Municipal tax	1.55	-	0.60
NDLM training program expenses	0.16	3.00	1.24
Nidhi owbersassoc. expense	0.59	-	0.82
Office expense	0.49	0.66	2.41
Office maintenance	-	0.82	-
Payments to auditors (Statutory & Tax Audit)	1.50	1.18	1.00
Penalty for late payment of PF	2.15	-	-
Petrol	0.00	-	0.14
PF admin	0.54	-	-
Postage	0.07	0.04	0.07
Power and fuel	1.65	1.37	1.76
Printing and stationery	0.30	0.42	0.69
Provision for Doubtful Debts	-	-	-
Professional Tax	0.02	0.02	0.02
Project management consultancy	-	12.68	26.07
Repair and maintenance of other expense	2.17	0.30	1.45
ROC Expenses	0.08	0.26	0.14
Round off	0.00	-	-
Sales promotion	0.11	-	1.07
Service tax penalty	-	6.16	-
Sundry balance written off	2.33	-	-
Swatch Bharat Cess	0.38	1.93	0.70
TDS receivable written off	2.31	3.59	17.84
Tea and refreshment	0.69	0.49	0.56
Tea machine rent	0.01	-	-
Technical and tender fee expense	-	0.20	0.12
Telephone and postage	0.69	1.23	0.80
Transportation charges	0.00	-	-
Travelling and conveyance	3.40	3.26	2.96
VAT/ Sales tax	-	-	0.03
Web designing	0.06	-	-
Website renewal charges	0.07	-	-
Total	1,919.80	474.99	548.88

Note 29: Restated Statement of Related Party Disclosures (Rs. In Lacs)

Sr. No.	Name of the related parties with whom transactions were carried out during the years and description of relationship	
1	Holding Company	Asya Infosoft Ltd
2	Subsidiary Company	NIL
3	Associate Company	NIL
4	Key Managerial Person	Sandip R Shah Ketan N Shah
5	Relative of Key Management Persons	Mona S Shah Hemal K Shah
6	Enterprises Owned or controlled by Key Management personnel and/or their relatives	Mark Infotech
7	Entities having significant influence on company	NIL

List of Transactions is disclosed on the next page:

(Rs. In Lacs)

Sr. No.	Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Key Management Personnel				
1	<u>Sandip R Shah</u>			
	Op Bal.	1.07	9.82	15.02
	Loan taken from Director	0.08	59.5	55.45
	Amount Repaid/ abjusted	0	68.25	60.65
	CI Bal.	1.15	1.07	9.82
	Salary to Director	9.6	9.6	9.6
2	<u>Ketan N Shah</u>			
	Op Bal.	6.37	0.97	13.43
	Loan taken from Director	0.19	15.5	0
	Amount Repaid/ abjusted	6.5	10.1	12.46
	CI Bal.	0.06	6.37	0.97
	Salary to Director	9.6	9.6	9.6
Holding Company				
1	<u>Asya Infosoft Ltd</u>			
	Op Bal.	15.82	0	0
	IT Job work	908.6	3.76	0
	Software Asset	37.36	16.1	0
	Amount Repaid/ adjusted	69.48	4.04	0
	CI Bal.	892.3	15.82	0
	Share Capital Received	13.48		
	Share Premium Received	84.27		
Relative of Director				
1	<u>Mona S Shah</u>			
	Op Bal.	0	0	0
	CI Bal.	0	0	0
	Salary	4.2	4.2	4.2
	Rent	0	0	0
2	<u>Hemal K Shah</u>			
	Op Bal.	0	0	0
	CI Bal.	0	0	0
	Salary	4.2	4.2	4.2
	Rent	0	0	0
Company/entity owned or significantly influenced by directors/KMP				
1	<u>Mark Infotech</u>			

	Op Bal.	0	0	0
	IT Jobwork	302.28	5.42	0
	Amount Repaid/ abjusted	604.71	5.42	0
	Cl Bal.	-302.43	0	0

Note 30: Fair Value Measurement

A. Carrying value of instruments by categories are as follow:

(Rs. In Lacs)

Particulars	Carrying Amount				Fair Value				
	As At	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 – quoted price in active market	Level 2 – Significant observable input	Level 3 – Significant unobservable Inputs	Total
Financial Assets									
<i>Investments</i>									
	March 31, 2018	-	-	-	-	-	-	-	-
	March 31, 2017	-	175.00	-	175.00	-	-	175.00	175.00
	March 31, 2016	-	150.00	-	150.00	-	-	150.00	150.00
<i>Loans</i>									
- Non Current									
	March 31, 2018	-	-	449.99	449.99	-	-	-	-
	March 31, 2017	-	-	716.95	716.95	-	-	-	-
	March 31, 2016	-	-	515.04	515.04	-	-	-	-
- Current									
	March 31, 2018	-	-	188.87	188.87	-	-	-	-
	March 31, 2017	-	-	44.06	44.06	-	-	-	-
	March 31, 2016	-	-	30.58	30.58	-	-	-	-
<i>Trade Receivable</i>									
	March 31, 2018	-	-	2844.71	2844.71	-	-	-	-
	March 31, 2017	-	-	1393.31	1393.31	-	-	-	-
	March 31, 2016	-	-	1306.67	1306.67	-	-	-	-
<i>Cash & Cash Equivalents</i>									

	March 31, 2018	-	-	204.98	204.98	-	-	-	-
	March 31, 2017	-	-	183.69	183.69	-	-	-	-
	March 31, 2016	-	-	52.88	52.88	-	-	-	-
<i>Other Financial Assets</i>									
- Non Current									
	March 31, 2018	-	266.47	-	266.47			266.47	266.47
	March 31, 2017	-	231.94	-	231.94			231.94	231.94
	March 31, 2016	-	132.37	-	132.37			132.37	132.37
Total Financial Assets									
	March 31, 2018	-	266.47	3738.55	4005.02			266.47	266.47
	March 31, 2017	-	406.94	2338.01	2744.95			406.94	406.94
	March 31, 2016	-	282.37	1905.17	2187.54			282.37	282.37
Financial Liabilities									
<i>Borrowings</i>									
- Non Current									
	March 31, 2018	-	-	40.55	40.55	-	-	-	-
	March 31, 2017	-	-	49.93	49.93	-	-	-	-
	March 31, 2016	-	-	68.77	68.77	-	-	-	-
- Current									
	March 31, 2018	-	-	408.03	408.03	-	-	-	-
	March 31, 2017	-	-	405.31	405.31	-	-	-	-
	March 31, 2016	-	-	404.85	404.85	-	-	-	-
<i>Other Financial Liabilities</i>									
- Non Current									
	March 31, 2018	-	-	-	-	-	-	-	-

- Non Current	March 31, 2017	-	-	6.05	6.05	-	-	-	-
	March 31, 2016	-	-	96.50	96.50	-	-	-	-
	March 31, 2018	-	-	0.08	0.08	-	-	-	-
	March 31, 2017	-	-	0.53	0.53	-	-	-	-
	March 31, 2016	-	-	0.50	0.50	-	-	-	-
<i>Trade Payables</i>	March 31, 2018	-	-	1793.19	1793.19	-	-	-	-
	March 31, 2017	-	-	258.40	258.40	-	-	-	-
	March 31, 2016	-	-	494.22	494.22	-	-	-	-
Total Financial Liabilities									
	March 31, 2018	-	-	2241.85	2241.85	-	-	-	-
	March 31, 2017	-	-	720.22	720.22	-	-	-	-
	March 31, 2016	-	-	1064.84	1064.84	-	-	-	-

*Impact of the time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Fair Value hierarchy disclosures:

Level 1 – (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges

Level 2 – (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.

Level 3 – (Unobservable) which includes management's own assumptions for arriving at a fair value.

The management has carried out analysis of financial assets and liabilities for all the reporting periods covered under Ind As framework and has concluded that there are no financial assets and liabilities to be considered at fair value except as disclosed above and all the financial assets and liabilities are at its carrying value which is equal to the fair value measured at amortised cost.

The carrying amounts of trade receivables, cash and cash equivalent, current loans, current other financial assets, trade payables, current borrowings and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

The carrying amounts of non current financial loans are considered to be the same as their fair value as it consist of loans given to other corporate for business purposes, which are interest bearing and are close to the fair value. Also, it consist of loans given to employees which are also interest bearing and are close the fair value.

The carrying amount of non current borrowings are considered to be the same as their value as it consist of loans taken from directors and other corporate for business purposes, which are interest bearing and are close to the fair value.

B. Financial Risk management

In the course of business, amongst others, the Company is exposed to several financial risks such as Credit Risk, Liquidity Risk, Interest Rate Risk, and input service Price Risk.

These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has formulated an appropriate policy and established a risk management framework which encompasses the following process:

- identify the major financial risks which may cause financial losses to the company
- assess the probability of occurrence and severity of financial losses
- mitigate and control them by formulation of appropriate policies, strategies, structures, systems and procedures
- Monitor and review periodically the adherence, adequacy and efficacy of the financial risk management system

The Company enterprise risk management system is monitored and reviewed at all levels of management and Board of Directors from time to time.

Note 31: First Time adoption of Ind AS

31.1 Explanation of transition to Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind ASs. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in

the preparation of an opening Ind AS balance sheet at 01st April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables and notes:

Exemption and exception applied

In preparing these financial statements, the Company has applied the below optional exemptions and mandatory exceptions in line with principles of Ind AS 101.

Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the Financial Statements as at the date of transition to Ind AS, measured under IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decapitalization of borrowing costs. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment properties covered by Ind AS 40 'Investment Property'. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their IGAAP carrying value in their Financial Statements.

Investments

Ind AS 101 permits a first-time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at date of transition to Ind AS of the Company, or IGAAP carrying amount at that date. The Company has elected to measure its investment under IGAAP carrying amount as its deemed cost on the transition date. The company has elected to review the value of investments at each balance sheet date and on the basis of circumstances and best judgment, the company has valued the investments at Fair Value through OCI (FVTOCI) wherever required.

Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2012 are consistent with the estimates as at the same date made in conformity with IGAAP.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes to the reconciliations between Indian GAAP and Ind AS accounts and restatements

For the purpose of transition to Ind AS, the company has initially regrouped the Indian GAAP financials as per Ind AS format. The note 13.2 illustrates there grouped figures of Indian GAAP as per Ind AS in the column IGAAP and then the adjustments of transitions and restatements are provided.

31.2 Reconciliation of Equity as at 31 March, 2016 (Proforma Ind AS)

Particulars	Foot Note No.	Amount as per IGAAP	Effects of transition and restatement adjustments	Amount as per Ind AS
ASSETS:				
Non -Current Assets				
Property, Plant & Equipment		146.47	-	146.47
Capital Work in Progress	31.2.1	332.00	(332.00)	-
Goodwill		-	-	-
Other Intangible Assets		-	-	-
Financial Assets :				
Investments		150.00	-	150.00
Loans	31.2.2	6.04	509.00	515.04
Other Financial Assets	31.2.3	-	132.37	132.37
Other Non-current Assets	31.2.1	-	335.50	335.50
		634.50	644.87	1,279.38
Current Assets				
Inventories		260.20	-	260.20
Financial Assets:				
Trade Receivables	31.2.4	1350.17	(43.50)	1,306.67
Cash and Cash Equivalents	31.2.3	154.33	(101.45)	52.88
Loans	31.2.5&31.2.2	771.97	(741.39)	30.58
Other Current Assets	31.2.5	24.14	201.47	225.61
		2560.81	(684.87)	1,875.94
TOTAL		3195.31	(40.00)	3,155.32
EQUITY AND LIABILITIES:				
Equity:				
Equity Share Capital		192.54	-	192.54
Other Equity	31.2.6	1858.53	(57.80)	1,800.73
		2051.07	(57.80)	1,993.27
Non-Current Liabilities:				
Financial Liabilities:				
Borrowings	31.2.7	161.77	(93.00)	68.77
Other Financial Liabilities	31.2.7	-	96.50	96.50
Provisions	31.2.8	3.50	19.29	22.79
Deferred Tax Liabilities/ (Assets) (Net)		9.47	(6.03)	3.44
		174.75	16.75	191.50
Current Liabilities:				
Financial Liabilities:				
Borrowings		404.85	-	404.85
Trade Payables	31.2.9	290.04	204.18	494.22
Other Financial Liabilities		-	0.50	0.50
Other Current Liabilities	31.2.9	254.72	(204.64)	50.08
Provisions	31.2.8	19.89	1.01	20.90
		969.50	1.05	970.55
TOTAL		3195.31	(40.00)	3,155.32

Reconciliation of Equity as at 31 March, 2017

Particulars	Foot Note No.	Amount as per IGAAP*	Effects of transition and restatement adjustments	As at 31st March, 2017 (Ind AS)
ASSETS:				
Non -Current Assets				
Property, Plant & Equipment		120.35	-	120.35
Capital Work in Progress		-	-	-
Goodwill		-	-	-
Other Intangible Assets		104.65	-	104.65
Financial Assets :				
Investments	31.2.10	200.00	(25.00)	175.00
Loans	31.2.2	6.04	710.91	716.95
Other Financial Assets	31.2.3	-	231.94	231.94
Other Non-current Assets		-	3.50	3.50
Current Assets				
Inventories		206.78	-	206.78
Financial Assets:				
Trade Receivables	31.2.4	1436.81	(43.50)	1,393.31
Cash and Cash Equivalents	31.2.3	319.98	(136.29)	183.69
Loans	31.2.5&31.2.2	980.94	(936.88)	44.06
Other Current Assets	31.2.5	22.41	130.66	153.07
TOTAL		3397.96	(64.66)	3,333.30

Particulars	Foot Note No.	Amount as per IGAAP*	Effects of transition and restatement adjustments	As at 31st March, 2017 (Ind AS)
EQUITY AND LIABILITIES:				
Equity:				
Equity Share Capital		192.54	-	192.54
Other Equity	31.2.6	2337.65	(54.26)	2,283.39
		2530.19	(54.26)	2,475.93
Non-Current Liabilities:				
Financial Liabilities:				
Borrowings	31.2.7	52.48	(2.55)	49.93
Other Financial Liabilities	31.2.7	-	6.05	6.05
Provisions	31.2.8	3.50	23.99	27.49
Deferred Tax Liabilities/ (Assets) (Net)		12.62	(39.05)	(26.43)
		68.61	(11.56)	57.04
Current Liabilities:				
Financial Liabilities:				
Borrowings		405.31	-	405.31
Trade Payables	31.2.9	81.87	176.53	258.40
Other Financial Liabilities		-	0.53	0.53
Other Current Liabilities	31.2.9	291.54	(177.03)	114.51
Provisions	31.2.8	20.43	1.15	21.58
		799.16	1.18	800.33
TOTAL		3397.96	(64.64)	3,333.30

Reconciliation of Total Comprehensive Income as at 31 March, 2016 (Proforma Ind AS)

Particulars	Note No.	Amount as per IGAAP	Effects of transition and restatement adjustments	For the year ended 31 March, 2016 (Proforma Ind AS)
Revenue from operations		3137.77	-	3,137.77
Other income		45.43	-	45.43
Total revenue		3183.20	-	3,183.20
Expenses				
(a) Cost of materials consumed		-	-	-
(b) Purchases of stock-in-trade		2355.42	-	2,355.42
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(135.63)	-	(135.63)
(e) Employee benefits expense	13.2.8	167.24	5.66	172.92
(f) Finance costs		58.28	-	58.28
(g) Depreciation ,amortisation and impairment expenses		59.04	-	59.04
(h) Other expenses		548.88	-	548.88
Total expenses		3053.26		3,058.91
Profit / (Loss) before tax		129.96	(5.66)	124.29
Tax expense:				
(a) Current tax expense for current year		45.92	1.31	47.23
(b) Deferred tax		(6.63)	6.41	(0.22)
(c) MAT Caredit		-	5.19	5.19
		39.29	12.91	52.20
Profit / (Loss) for the year		90.66	(18.57)	72.09
Other Comprehensive Income(OCI):				
Re-measurement losses on post employment defined benefit plans	13.2.8	-	3.01	3.01
Income Tax effect	13.2.8	-	(1.00)	(1.00)
Total			2.01	2.01
Net loss/(gain) on Fair Value through OCI(FVTOCI) on equity securities				
Other Comprehensive income/(loss) for the year (net of tax)		-		-
Tax Effect on the above		-		-
Total		90.66	(16.56)	74.10

Reconciliation of Total Comprehensive Income as at 31 March, 2017

Particulars	Note No.	Amount as per IGAAP	Effects of transition and restatement adjustments	For the year ended 31 March, 2017
Revenue from operations		3826.38	-	3,826.38
Other income		103.94	-	103.94
Total revenue		3930.32	-	3,930.32
Expenses				
(a) Cost of materials consumed		-	-	-
(b) Purchases of stock-in-trade		3043.20	-	3,043.20
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		53.42	-	53.42
(e) Employee benefits expense	13.2.8	139.64	6.21	145.85
(f) Finance costs		68.54	-	68.54
(g) Depreciation ,amortisation and impairment expenses		68.08	-	68.08
(h) Other expenses		474.99	-	474.99
Total expenses		3847.87	6.21	3,854.08
Profit / (Loss) before tax		82.45	(6.21)	76.24
Tax expense:				
(a) Current tax expense for current year		57.50	0.30	57.80
(b) Deferred tax		3.15	(26.51)	(23.36)
(c) MAT Caredit		-	-	-
		60.65	(26.21)	34.44
Profit / (Loss) for the year		21.80	20.00	41.80
Other Comprehensive Income(OCI):				
Re-measurement losses on post employment defined benefit plans	13.2.8	-	1.38	1.38
Income Tax effect	13.2.8	-	(0.38)	(0.38)
Total		-	1.00	1.00
Net loss/(gain) on Fair Value through OCI(FVTOCI) on equity securities				
Other Comprehensive income/(loss) for the year (net of tax)	13.2.8	-	(25.00)	(25.00)
Tax Effect on the above	13.2.8	-	6.89	6.89
Total		-	(18.11)	(18.11)
Total Comprehensive income for the year (net of tax)		21.80	2.89	24.69

31.2.1 Advance given to acquire the office building was disclosed as CWIP in audited financial statements. However, the same has been disclosed as Capital Advances under the under the head Other Non Current Assets in accordance with adoption of the Ind AS financial framework at the time of preparation of Restated Financial Statements.

31.2.2 Interest bearing Loans and Advances given to corporates and others for business purpose had been reclassified as Non – Current Loans & Advances during preparation of Restated Financial Statements from the Current Loans & Advances as per Audited Financial Statements.

31.2.3 Interest Accrued on the interest bearing loans and advances given to corporates and others have been disclosed as other financial assets in accordance with the Ind AS financial framework at the time of preparation of Restated Financial Statements. Further, fixed deposit given as Margin money and collateral asset in the bank was disclosed under cash & Cash Equivalents in Audited Financial Statements, which had been reclassified to the Other Non – Current Financial Assets at the time of Restated Financial Statements.

31.2.4 The Management had created the provision for doubtful debts starting from FY 13-14 on the basis of developments and circumstances while preparing Restated Financial Statements.

31.2.5 Interest bearing Loans and Advances given to corporates and others for business purpose had been disclosed [d under current loans and advances in Audited Financial Statements, which had been reclassified as Non – Current Loans & Advances. Further, Balances with various statutory authorities were also disclosed under current loans and advances under Audited Financial Statements which had been reclassified as Other Current Assets while preparing Restated Financial Statements.

31.2.6 Changes in the Profit & Loss amount due to restatement and Ind AS adjustments led to difference between amount of Equity as per Audited Financial Statements and as per Restated Financial Statements.

31.2.7 Trade Deposits had been reclassified as Other Non – Current Financial Liability as per Restated Financial Statements instead of Borrowings as per Audited Financial Statements.

31.2.8 The Company had not made provision for gratuity as per Actuarial Valuation Report in Audited Financial Statements. However, the said provision had been created as per Actuarial Valuation report while preparing Restated Financial Statements. Further, expenses for the same has been considered under Employee Expenses and Other Comprehensive Income (OCI) in accordance with the segregation given in the Actuarial Report as per Ind AS -19.

31.2.9 Creditors for expenses had been disclosed under Audited Financial Statements. However, the same had been disclosed under Trade Payables under Restated Financial Statements in accordance with the Ind AS financial framework.

31.2.10 While preparing Restated Financial Statements in accordance with the Ind AS framework, the Company has disclosed Non – Current Investments at FVTOCI. Further, Tax expenses on the same have also been considered under OCI. To arrive at the Fair value Management has used its best judgment based on the available information and development in the circumstances and conditions. Fair value of the Individual investments is reassessed at each Balance Sheet Date.

Note 32: Restated Statement of Contingent Liabilities (Rs. In Lacs)

Contingent Liabilities			
			(Rs. in Lacs)
Particulars	17-18	16-17	15-16
Bank Guarantee	49.55	73.55	20.21
Claims against the Company not Acknowledged as Debt*	0.00	0.00	0.00
Total	49.55	73.55	20.21

* Claims against the Company not Acknowledged as Debt does not include Demand from Gujarat Sales Tax Authority for payment of tax Rs.7345225 for financial years 2009-10 on completion of assessment proceeding of respective year. The company has filed an appeal before Deputy Commissioner of Sales Tax (Appeals). Company is contesting the demand and the management believes that the demand will not sustain in the Appellate Process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position.

Note 33 – Disclosure of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	Nil	713978	713978
Add: Permitted receipts	Nil	404000	404000
Less: Permitted Payments	Nil	(27845)	(27845)
Less : Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on 30.12.2016	Nil	1090132	1090132

NOTE 34: Balances of Debtors, Creditors and Loans & Advances are subject to confirmation. Adjustments, if any, will be made at the time of reconciliation of accounts.

NOTE 35: Previous year's figures have been regrouped / reclassified to make them comparable with those of the

**Ideal Systems Limited
Restated Statement Of Tax Shelter**

**Annexure VI - A
(Rs. In Lacs)**

		Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	Restated Profit before tax (A)	13,723,827	7,624,048	12,429,481
	Tax Rate (%)	27.56%	33.06%	33.06%
	MAT Rate	20.39%	19.06%	20.39%
	Adjustments :	-		
1)	Tax Impact of Permanent Differences			
	Donation	100,000	-	-
	Interest on TDS	230,573		312,530
	Other Item of Addition under section 28 to 44AD	1,015,635	1,372,127	1,784,499
	Interest On late payment of Tax	-	1,000.00	
	Profit/Loss on sale of Fixed Assets			
	Total Tax Impact of Permanent Differences(B)	1,346,208	1,373,127	2,097,029
2)	Tax Impact of Timing Differences			
	Disallowance U/s 40a(ia)		-	-
	Disallowance U/s 43 B		5,765,251	4,877,228
	Disallowed In Earlier Years Allowed This year	-2,769,981	-	(1,431,504)
	Disallowed U/s 40 A			
	Disallowed under other Sections	-		
	Difference between Provision for Gratuity And Payment of Gratuity	386,331	620,445	566,244
	Difference between tax depreciation and book depreciation	-1,361,642	2,097,497	-2,685,517
	Total Tax Impact of Timing Differences (C)	-3,745,292	8,483,193	1,326,451
	Net Adjustments D = (B+C)	-2,399,084	9,856,320	3,423,480
	GROSS TOTAL INCOME	11,324,743	17,480,368	15,852,961
Less:	STCL (E)		-	-

Less:	Deduction u/s 80 IB (F) Set off Of Losses		-	-
	TOTAL INCOME(A+D-E-F)	11,324,743	17,480,368	15,852,961
	TOTAL INCOME (Round Off U/s 288A)		17,480,370	15,852,970
	Carried Forward Losses		-	-
	Restated Profit for The Purpose of MAT	13,954,400	7,624,048	12,429,481
	Income Tax as per MAT	2,845,142	1,452,762	2,534,228
	MAT Credit Availed			518,913
	Income Tax as computed	3,120,856	5,779,534	4,722,552
	MAT Credit Availed		-	
	Mat Credit Entitlement		-	
	Tax paid as per normal or MAT	Income Tax	Income Tax	Income Tax

Notes :

1. The aforesaid statement of tax shelters has been prepared as per the restated summary statement of profits and losses of the company. The permanent/timing differences have been computed considering the acknowledged copies of the income – tax respective years sated above. The changes in tax liability and the interest thereon arising on account of assessment proceedings, notices, appeals etc has been adjusted in the tax liability of the year.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, statement of adjustments for rested profit & loss, profits and losses and cash flows appearing in Annexure IV, V, I, II and III.
3. The accounting policies followed during the process of restatement as mentioned in the Annexure IV are in commensurate with the requirements of Income Computation and Disclosure Standards (ICDS) issued by CBDT. The following list summaries the ICDS and corresponding accounting policy in Annexure IV for reference of the readers.

ICDS No.	Name of The Standard	Corresponding Policy No.
ICDS I	Accounting Policies	Point C of Annexure V-A
ICDS II	Valuation of Inventories	Point C.5 of Para 3 of Annexure V-A
ICDS III	Construction Contracts	Not Applicable to the entity
ICDS IV	Revenue recognition	Para C.9 of Annexure V-A
ICDS V	Tangible Fixed Assets	Para C.3 of Annexure V-A
ICDS VI	The effects of Changes in Foreign Exchange Rates	Para C.1 of Annexure V-A
ICDS VII	Government Grants	Not Applicable to the entity
ICDS VIII	Securities	Para C.2 of Annexure V-A
ICDS IX	Borrowing Costs	Para C.11 of Annexure V-A
ICDS X	Provisions, Contingent Liabilities and Contingent Assets	Para C.8 of Annexure V-A

Ideal Systems Limited

Restated Statement of Changes in Profit and Loss

Annexure VII - A

(Rs. In Lacs)

Particulars	March 31,2018	March 31,2017	March 31,2016
Profit As per Audited Accounts	107.48	21.79	90.66
Add: Depreciation & Amortisation as per Audited Accounts	49.86	68.08	59.04
Add: Other Expenses as per Audited Accounts	1,917.48	474.99	548.85

Add: DTL as per Audited Accounts	1.36	3.15	-6.63
Add: Gratuity Expenses	3.50	-	-
Add : MAT Credit As per Audited Accounts	-	-	-
Add : Current Tax as per Audited Accounts (Including MAT)	31.07	57.50	45.92
TOTAL (B)	2,003.27	603.72	647.18
Less: Depreciation & Amortisation as per Restated Accounts	49.86	68.08	59.04
Less : Other Expenses As per Restated Accounts	1,919.79	474.99	548.85
Less : DTL as per Restated Accounts	13.56	-23.36	-0.22
Less : Gratuity as per Restated Accounts	3.86	6.20	5.66
Less : MAT Credit As per Restated Accounts	-	-	5.19
Less : Current Tax including interest on late payments of tax as per Restated Accounts	31.21	57.80	47.23
TOTAL (C)	2,018.28	583.71	665.75
Profit as per Restated Accounts (A+B-C)	92.47	41.80	72.09

Ideal Systems Limited

Annexure VIII - A

Restated Chart Of Accounting Ratios

Particulars	2017 – 18	2016-17	2015-16
No. of Shares at the beginning of the year	2361320	2361320	908200
Further issue of shares	-	-	1453120
No. of Equity Shares Outstanding at the end of the year (A)	2361320	2361320	2361320
Weighted No. of Shares			
No. of shares at the beginning of the year	908200	908200	908200
Equivalent No of Shares from date of issue	1017184.00	1017184.00	932418.67
Amount received on Partly paid up shares	33690.59		
Weighted No. of Shares (B)	1959074.59	1925384.00	1840618.67
Weighted No of Shares assuming bonus from earliest period			
No. of Shares without bonus issue	908200	908200	908200
Equivalent No of shares from date of issue	1017184.00	1017184.00	932418.67
Amount received on Partly paid up shares	33690.59	0.00	0.00
Bonus Shares issue on 29-08-2018	11806600	11806600	11806600
Weighted No of shares assuming bonus from earliest period (C)	13765674.59	13731984.00	13647218.67

Restated Net Profit after Tax, attributable to equity shareholders (D)	92.47	41.80	72.09
Nominal Value per Equity Share (Rs.)	10	10	10
Restated Net Worth (E)	2630.53	2475.93	1993.27
Earnings Per Share			
Basic & Diluted (D/B)	4.72	2.17	3.92
Basic & Diluted assuming bonus from earliest period (D/C)	0.67	0.30	0.53
NAV – As per closing No. of Shares (E/A)	111.33	104.78	84.42
NAV – As per weighted No. of Shares as on balance sheet date (E/B)	134.28	128.62	108.27
NAV – As per weighted no. of shares assuming bonus from the earliest period (E/C)	19.11	18.03	14.61
Return on Net Worth (D/E)	3.52%	1.69%	3.62%

1. Formulas for accounting Ratios

Basic and Diluted Earnings Per Share (EPS) (Rs.) $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year}}$

Return on Net Worth (%) $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth at the end of the year}}$

Net Asset Value per equity share (Rs.) $\frac{\text{Restated Net Worth of at the end of the year}}{\text{Number of Equity Shares outstanding at the end of the year / period}}$

Ideal Systems Limited Restated Statement Of Capitalisation

Annexure IX - A (Rs. In Lacs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	408.035	■
Long Term Debt (B)	40.55	■
Total debts (C)	448.59	■
Shareholders' funds		
Equity share capital	206.02	■
Reserve and surplus - as restated	2422.81	■
Total shareholders' funds	2628.83	■
Long term debt / shareholders funds	0.02	■
Total debt / shareholders funds	0.17	■

Note : The corresponding Post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the finalization of issue price and hence the same has not been provided in the above statement.

Ideal Systems Limited
Restated Statement of Dividend Paid

AnnexureX - A
(Rs. In Lacs)

Particulars	2017 - 18	2016-17	2015-16
No. of Shares Fully Paid Up(in Lacs)	9.08	9.08	9.08
No. of Shares Partly Paid Up(in Lacs)	14.53	14.53	14.53
Face Value (Rs.)	10	10	10
Final Dividend Amount (Rs.)			
Dividend Per Share (Rs.)	-	-	-
Rate of Dividend (%)	0%	0%	0%
Total	-	-	-

As per our Report of even date attached
For H.K. SHAH & CO.
Chartered Accountants
FRN:109583W

For & on behalf of the Board of Directors

CA MALAV DESAI
Partner
M No.:135524
Date: September 24, 2018
Place: AHMEDABAD

Director
DIN

Director
DIN

**Ideal Systems Limited (Previously known as Ideal Systems Limited)
Restated Standalone Summary Statement of Assets and Liabilities**

**Annexure I - B
(Rs. In Lacs)**

Particulars	Note No.	Restated	
		As at 31st March 2015 IGAAP	As at 31st March 2014 IGAAP
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	1	90.82	90.82
Reserves and surplus	2	452.47	410.12
		543.29	500.94
Share application money pending allotment		-	-
Non-current liabilities			
Long-term borrowings	3	218.19	239.21
Deferred tax liabilities (Net)	4	2.67	(14.88)
Other long term liabilities		-	-
Long-term provisions	5	19.54	15.96
Current liabilities			
Short-term borrowings	6	409.55	404.29
Trade payables	7	923.48	1,609.37
Other current liabilities	8	206.16	101.43
Short-term provisions	9	13.67	16.23
		1,552.86	2,131.32
TOTAL		2,336.55	2,872.55
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		169.24	56.87
Deferred tax assets (net)	4	-	-
Long-term loans and advances	11	66.33	68.32
Other Non-current assets		-	-
		235.57	125.19
Current assets			
Inventories	12	124.57	45.33
Trade receivables	13	1,599.48	2,303.62
Cash and cash equivalents	14	154.57	184.00
Short-term loans and advances	15	180.22	132.27
Other current assets	16	42.14	82.14
		2,100.98	2,747.36
TOTAL		2,336.55	2,872.55

Ideal Systems Limited (Previously known as Ideal Systems Limited)
Restated Standalone Summary Statement of Profit and Loss

Annexure II - B
(Rs. In Lacs)

		31st March 2015	31st March 2014
		IGAAP	IGAAP
Revenue			
Revenue from operations	17	3,065.60	2,978.17
Less: Excise duty		-	-
Net Sales		3,065.60	2,978.17
Other income	18	25.82	10.72
Total revenue		3,091.42	2,988.89
Expenses			
Purchase of stock-in-trade		2,398.21	2,423.73
Changes in inventories	19	(79.25)	(20.65)
Employee benefit expenses	20	146.48	146.26
Finance costs	21	65.33	65.44
Depreciation and amortization expenses	10	3.79	24.31
Other expenses	22	448.45	241.58
Total expenses		2,983.01	2,880.67
Profit before exceptional, extraordinary and prior period items and tax		108.41	108.22
Exceptional items		-	-
Profit before extraordinary and prior period items and tax		108.41	108.22
Extraordinary items		-	-
Prior period item		-	-
Profit before tax		108.41	108.22
Tax expenses		-	-
Current tax		21.69	36.59
Deferred tax		17.55	(1.11)
MAT Credit Entitlement		(5.19)	-
Tax Expenses		34.05	35.48
Profit(Loss) After Tax for the period		74.36	72.74
Adjusted Earnings per share (EPS)* for Profit for the Period (Basic & Diluted)	Annexure VIII_B	0.58	0.57

**Ideal Systems Limited (Previously known as Ideal Systems Limited)
Restated Standalone Statement of Cashflow**

**Annexure III - B
(Rs. In Lacs)**

Particulars	For the year ended March 31,	
	2,015	2,014
Cash Flow From Operating Activities:		
Net Profit before tax as per Profit And Loss A/c	108.41	108.22
Adjustments for:		
Depreciation & Amortization Expense	3.79	24.31
Interest Income	25.81	10.70
Finance Cost	65.31	65.44
Operating Profit Before Working Capital Changes	151.70	187.27
Adjusted for (Increase)/ Decrease in:		
(Increase) /Decrease in Trade Receivables	704.14	(934.30)
(Increase) /Decrease in Loans & Advances	(3.52)	9.02
(Increase) /Decrease in Inventories	(79.24)	(20.65)
(Increase) /Decrease in Other Current Assets	46.00	(15.20)
(Increase) /Decrease in Other Non Current Assets	(6.00)	-
Increase / (Decrease) in Trade Payables	(685.87)	870.85
Increase/ (Decrease) in Other Current Liabilities	104.73	(64.20)
Increase/ (Decrease) Long Term Term Provision	3.59	(2.19)
Increase/ (Decrease) Short Term Provision	(2.56)	1.74
Cash Generated From Operations	232.97	32.34
Appropriation of Profit		
Income Tax Paid (Including TDS)	61.11	65.47
Net Cash Flow from/(used in) Operating Activities: (A)	171.86	(33.12)
Cash Flow From Investing Activities:		
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(148.18)	(0.26)
Interest Received	25.81	10.70
Net (Increase)/Decrease in Long Term Loans & Advances	2.18	(62.46)
Proceeds From Sale or Purchase of Investments		
Net Cash Flow from/(used in) Investing Activities: (B)	-120	-52
Cash Flow from Financing Activities:		
Proceeds From issue of Share Capital	-	-
Net Increase/(Decrease) in Share Application Money Pending Allotment		
Net Increase/(Decrease) in Long Term Borrowings	(21.03)	176.21
Net Increase/(Decrease) in Short Term Borrowings	5.27	(4.02)
Net Increase/(Decrease) in Other Long Term Liabilities	-	-
Interest and Financial Charges Paid	65.31	65.44
Net Cash Flow from/(used in) Financing Activities (C)	81	107
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(29.40)	21.61
Cash & Cash Equivalents As At Beginning of the Year	183.97	162.36
Cash & Cash Equivalents As At End of the Year	154.57	183.97

Annexure IV - B : Notes To Restated Standalone Financial Information

1. Basis of Accounting and Preparation of Financial Statements:

The financial statements are prepared under historical cost convention and to comply, in all material respects, with the notified accounting standards issued by the Companies Accounting Standard Rules - 2006 and the relevant provisions of Companies Act, 2013. Accounting Policies have been consistently applied by the company.

2. Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statement are prudent and reasonable. Future results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3. Inventory:

Inventories of Traded goods are recognized at cost or realisable value whichever is less. Cost comprises of Purchase cost and all the expenses incurred to bring the material at their present location and condition. Indirect taxes paid at the time of purchase is excluded from the cost of Traded Goods. And inventories of work in progress of service contract are recognised on the basis of best estimates of the management with regards to cost incurred and completion stage of the contract.

4. Fixed Assets:

Tangible Fixed Assets:

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

5. Depreciation:

Depreciation on Fixed Assets has been provided on the Straight Line method as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Individual assets costing less than Rs.5, 000 are fully depreciated in the year of capitalization.

6. Impairment of Assets:

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets, if any.

7. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is shown net of returns, trade allowances, rebates, value added taxes and volume discounts.

Sales Tax/ Service Tax/Value Added Tax [VAT]/Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the goods by the Company on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized:

Sale of Goods:

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Service Income

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of service tax, wherever applicable

Interest Income:

Interest income from a financial asset is recognized when it is probable that economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and the rate applicable.

Other Income:

Other income is recognized when no significant uncertainty as to its determination or realization exists.

8. Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid, if any, in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

Current and deferred tax relating to items directly recognised in equity is recognised in equity and not in the Statement of Profit and Loss.

9. Transactions in Foreign Currency:

Current assets and current liabilities are not translated at the exchange rate prevailing on the last day of the year. Exchange transactions are converted into Indian rupees at the prevailing rate on the date of the transaction.

10. Employee Benefits:***i. Short Term Employee Benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

iii. Defined Benefit Plan

Company has made provision for gratuity payable based on the estimated working by the management without any technical support of actuarial valuation in their Audited Financial Statements.

However, to comply with the AS - 15 "Employee Benefits" while preparing restated financial Information, Company had appointed a qualified actuary to perform the calculation of defined benefit obligation using the projected unit credit method.

Any changes in the Fair Value of the Liability to be recognized in the Balance Sheet due to net service cost of interest cost is recognised as expense of employee benefit in the statement of Profit & Loss.

11. Provisions (other than Employee Benefits), Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present legal obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the

Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. A contingent asset is neither recognized nor disclosed if inflow of economic benefit is probable.

12. Borrowing Cost

Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognized as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalized as part of the cost of such assets, up to the date the assets are ready for their intended use.

13. Segment Reporting

The company is engaged into trading of hardware & Software and sale of service in the nature of Development and maintenance of software and IT systems. The nature of activity and business of the company is such that sale of hardware software become incidental to the main business of sale of services. Accordingly, In terms of Ind AS-108 on “Operating Segments ” the company neither has more than one business segment nor more than one geographical segment requiring separate disclosures as there are no more distinguishable component or economic environments of the enterprise engaged in providing individual product or service or a group of related products or services and the same are not subjected to different risks and returns either of business or geographical segments.

14. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition. However, lease classification is determined at the inception of lease.

Disclosure in respect of assets taken on lease:

The Company uses certain hardwares such as computers, scanners and printers on lease basis for some specific projects at some of the locations. There is a not pre-defined lease period or lease term. The company will use these equipment till the completion of the specific projects wherein these equipment are used.

15. Earnings Per Share

Basic earnings per share are 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Annexure V – B Notes to Restated Financial Statements

Note No. 1: Share Capital (Rs. In Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Authorised : 4000000 (31/03/2014:4000000) Equity shares of Rs. 10.00/- par value	400	400
Issued :		

908200 (31/03/2014:908200) Equity shares of Rs. 10.00/- par value	90.82	90.82
Subscribed and paid-up :		
908200 (31/03/2014:908200) Equity shares of Rs. 10.00/- par value	90.82	90.82
Total	90.82	90.82

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity shares

	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	9,08,200	90,82,000.00	9,08,200	90,82,000.00
Issued during the Period				
Redeemed or bought back during the period				
Outstanding at end of the period	9,08,200	90,82,000.00	9,08,200	90,82,000.00

Right, Preferences and Restriction attached to shares

Equity shares

The company has only one class of Equity having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shareholders holding more than 5% shares in the company

Name of Shareholders	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sandip R Shah	3,91,850	43.15	3,91,850	43.15
Sanare Information Technology Pvt. Ltd.	1,50,000	16.52	1,50,000	16.52
Ketan N Shah	2,66,850	29.38	2,66,850	29.38
Total :	8,08,700	89.05	8,08,700	89.05

Note No. 2: Reserves and surplus(Rs. In Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Profit loss account		
Opening Balance	97.90	25.16
Add: Profit for the year	74.36	72.74
Less: Accelerated depreciation as per Companies Act, 2013*	(32.01)	-
Closing Balance	140.25	97.90
General reserve		
Opening Balance**	312.22	312.22
Add: Addition during the year	-	-
Less : Deletion during the year	-	-
Closing Balance	312.22	312.22
Balance carried to balance sheet	452.47	410.12

*Due to change in rates of Depreciation in the period the excess depreciation is disclosed in Note No. 2 Reserve & Surplus of the Financial Statement.

** With regards to the developments and circumstances while preparing financial statements for the FY 17-18, the company provided the Provision for the doubtful debtors of Rs.43.50 Lacs. The debtors which were recognized as doubtful was outstanding as on March 31, 2013 as well. Hence, while preparing the Restated financial Statements the provision for the Said outstanding doubtful debtors has been considered through adjustment in General Reserves of March 31, 2013. In addition to these, amount of Gratuity payable as on March 31, 2013 as determined by professional valuer is also adjusted through General Reserves of March 31, 2013.

Note No. 3: Long-term borrowings

(Rs. In Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured Borrowings		
Trade Deposit unsecured	-	-
Security Deposit	115.00	155.50
Inter corporate Deposits	74.74	81.23
Deposits from directors unsecured	28.45	2.49
Total	218.19	239.21

Note 3.1 Principal Terms & Conditions of Unsecured Loans

Unsecured loans taken from Directors/Promoters/Promoter Group/Associates/Relatives of Directors/Group Companies/other entities are interest free and all are taken without any precondition attached towards repayment.

Note No. 4: Deferred Tax Liabilities (Net)

(Rs. In Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Opening Balance of DTL/(DTA)	(14.88)	(13.77)
Deferred Tax Liability		
Difference between book and tax depreciation	13.78	(4.88)
Allowable under Income - Tax Act 1961	4.95	13.14
ADD : Deferred Tax Liability	18.72	8.25
Deferred Tax Assets	-	-
*Temporary Difference due to disallowed expenditure under Income Tax Act, 1961.	1.18	9.37
LESS : Deferred Tax Assets	1.18	9.37
Net deferred Tax Liability/(Assets)	2.67	(14.88)

Note No. 5: Long Term Provisions

(Rs. In Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Provision for employee benefit		
Provision for gratuity	19.54	15.96
Total	19.54	15.96

Note No. 6: Short-term borrowings

(Rs. In Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Secured Borrowing (Loans Repayable on Demand)		
Cash Credit*	307.82	305.22

Clean Overdraft	101.02	99.07
Unsecured Borrowing	-	-
Overdraft in Current Bank Account	0.71	-
Total	409.55	404.29

Name of Lender	Purpose	Sanctioned Amount	ROI/Commission	Prime Securities Offered	Collateral Securities Offered
Bank of Baroda	Cash Credit	300	14.25% p.a.	All the stocks, book debts, Plant & Machineries and all other movable assets of the company	Office at 4th Floor, H.N. House, near old high court, Ahmedabad. Plot at Sanand. FDR of Rs.43 Lacs. Personal Guarantee of Ketan Shah, Sandip Shah, Hemal Ketan Shah, Mona Sandip Shah & Jignesh Shah
Bank of Baroda	Clean Overdraft Facility(sub limit clean OD for Expense purpose)	100 (60)			

Note No. 7: Trade payable

(Rs. In Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured considered good- Other than Small Micro and Medium Enterprises	923.48	1,609.33
Total	923.48	1,609.33

Amount due to Micro, Small and Medium Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006, had not been identified by the company as on March 31, 2014 & March 31, 2015 on the basis of the status of creditors as to Micro, Small & Medium Enterprises as on that date. Hence, disclosure regarding due to MSME as on March 31, 2014 & March 31, 2015 is difficult to be made.

Note No. 8: Other current liabilities

(Rs. In Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Current maturities of long-term debt	-	10.00
Advance from customers	3.44	4.28
Statutory Dues Payable	45.42	87.15
Payable for Software Development Charges	157.30	-
Total	206.16	101.43

Note No. 9: Short Term Provision

(Rs. In Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Other provisions		
Provision for Employee Benefits	9.37	11.34
Provision for Gratuity	1.62	1.42
Provision for Expenses	2.68	3.47
Total	13.67	16.23

Note No. 10 :Fixed Assets Chart as at 31st March 2015(Rs. In Lacs)

Assets	Useful Life (In Years)	Gross Block				Accumulated Depreciation/ Amortisation					Net Block	
		Balance as at 1st April 2014	Additions during the year	Deletion during the year	Balance as at 31st March 2015	Balance as at 1st April 2014	Provided during the year	Deletion / adjustments during the year	Written off from retained earning	Balance as at 31st March 2015	Balance as at 31st March 2015	Balance as at 31st March 2014
Tangible assets												
Own Assets												
Office Premises	30	20.01	-	-	20.01	3.89	0.89	-	-	4.78	15.23	16.12
Electric Fittings and Office Equipments	10	11.85	-	-	11.85	5.53	0.73	-	3.61	9.87	1.98	6.33
Furniture and Fixtures	10	15.55	-	-	15.55	11.90	0.41	-	2.15	14.47	1.08	3.65
Computer	3	48.94	-	-	48.94	48.94	-	-	-	48.94	-	-
Software Assets	3	91.25	146.65	-	237.90	65.00	1.35	-	26.24	92.60	145.30	26.24
Biometric Machinery and Acc	15	6.70	-	-	6.70	2.17	0.35	-	-	2.52	4.18	4.53
Barcode Printer	15	-	1.52	-	1.52	-	0.05	-	-	0.05	1.47	-
Total (A)		194.30	148.18	-	342.48	137.43	3.79	-	32.01	173.23	169.24	56.87
P.Y Total		194.04	0.26	-	194.30	113.12	24.31	-	-	137.43	56.87	80.93

*The company has calculated Depreciation as per Schedule II of Companies Act, 2013. Accordingly due to the change of estimated useful life of assets, additional depreciation on the opening WDV has been charged to the Reserves by the Company.

Note No. 10(B) Fixed Assets Chart as at 31st March 2014(Rs. In Lacs)

Assets	Gross Block				Accumulated Depreciation/ Amortisation				Net Block		
	Dep. Rate	Balance as at 1st April 2013	Additions during the year	Deletion during the year	Balance as at 31st March 2014	Balance as at 1st April 2013	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2014	Balance as at 31st March 2014	Balance as at 31st March 2013
Tangible assets											
Own Assets											
Office Building											
Office Premises	1.63	20.01	-	-	20.01	3.56	0.33	-	3.89	16.12	16.45
Other Equipments											
Electric Fittings and Office Equipments	4.75	11.85	-	-	11.85	4.96	0.56	-	5.53	6.33	6.89
Furniture Fixtures											
Furniture and Fixtures	6.33	15.55	-	-	15.55	10.92	0.98	-	11.90	3.65	4.63
Computer Equipments											
Computer	16.21	48.68	0.26	-	48.94	42.38	6.56	-	48.94	-	6.30
Software Assets	16.21	91.25	-	-	91.25	50.21	14.79	-	65.00	26.24	41.04
Plant Machinery											
Biometric Machinery and Acc	16.21	6.70	-	-	6.70	1.09	1.09	-	2.17	4.53	5.62
Total (A)		194.04	0.26	-	194.30	113.12	24.31	-	137.43	56.87	80.93
P.Y Total		183.29	10.76	-	194.04	88.17	24.95	-	113.12	80.93	95.12

Note No. 11: Long Term Loans and advances**(Rs. In Lacs)**

Particulars	As at 31st March 2015	As at 31st March 2014
Other loans and advances		
Trade Deposits	6.04	11.04
Loans & Advances to Corporate	55.10	57.28
MAT Credit Entitlement	5.19	-
Total	66.33	68.32

Note No. 12: Inventories**(Rs. In Lacs)**

Particulars	As at 31st March 2015	As at 31st March 2014
(As taken, valued & certified by Management)		
WIP	124.34	-
Finished Goods	0.23	45.33
Total	124.57	45.33

Note No. 13: Trade receivables (Rs. In Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured & Considered Good		
Exceeding six months	1,024.56	1,325.84
Less than six months	574.92	977.78
	-	-
Unsecured & Considered Doubtful	43.50	43.50
Total	1,642.98	2,347.12
Less: Provision for Doubtful Debts	(43.50)	(43.50)
Total	1,599.48	2,303.62

Note No. 14: Cash and cash equivalents**(Rs. In Lacs)**

Particulars	As at 31st March 2015	As at 31st March 2014
Cash in hand	39.70	58.69
Balance with banks	-	-
In Current Accounts	21.21	2.38
In Fixed Deposit Accounts *	55.82	51.42
In Margin Money Accounts **	32.14	66.17
Fixed Deposits against Earnest Money	5.70	5.34
Total	154.57	184.00

* Fixed deposit amounting to Rs.51,05,279 &Rs. 55,45,829 as on March 31, 2014 & March 31, 2015 respectively is mortgaged against the Cash Credit Facility from Bank of Baroda.

** Kept as Margin money for Bang Guarantee.

Note No. 15: Short Term Loans and advances

Particulars	As at 31st March 2015	As at 31st March 2014
Other loans and advances		
Loans and advances to Others	2.80	5.28
Expenses Prepaid	0.23	0.23
TDS receivable	85.34	40.73
Service Tax Input(not due for cenvat)	-	0.69
Advance to supplier	89.52	81.37
Vat Receivable	-	1.88
Service tax under VCS	0.01	-
Loans and advances to Employees	2.32	2.09
Total	180.22	132.27

Note No. 16: Other current assets**(Rs. In Lacs)**

Particulars	As at 31st March 2015	As at 31st March 2014
Other Assets		
Earnest Money Deposit*	42.14	82.14
Total	42.14	82.14

*Deposit with various government authorities for the projects on the Recurring Basis.

Note No. 17 : Revenue from operations**(Rs. In Lacs)**

Particulars	31st March 2015	31st March 2014
Sale of products		
Revenue from sale of products gross	2,454.00	2,391.25
	2,454.00	2,391.25
Sale of services	-	-
Revenue information technology services	580.52	557.60
Export Sale-IT Services	27.50	29.14
	608.02	586.74
Other operating revenues	-	-
Sundry balances written off	3.57	-
Discount	0.01	-
	3.58	-
Gross revenue from operations	3,065.60	2,978.17

Note No. 18 : Other income**(Rs. In Lacs)**

Particulars	31st March 2015	31st March 2014
Interest Income	25.82	10.71
Net gain/loss on foreign currency fluctuations treated as other operating revenue	0.01	0.0
Total	25.82	10.72

Note No. 19 : Changes in inventories**(Rs. In Lacs)**

Particulars	31st March 2015	31st March 2014
Inventory at the end of the year		
Work-in-Progress	124.35	-
Traded Goods	0.23	45.33
	124.58	45.33

Inventory at the beginning of the year		
Work-in-Progress	-	24.68
Traded Goods	45.33	-
	45.33	24.68
(Increase)/decrease in inventories		
WIP	(124.35)	24.68
Traded Goods	45.10	(45.33)
Total	(79.25)	(20.65)

Note No. 20: Employee benefit expenses

(Rs. In Lacs)

Particulars	31st March 2015	31st March 2014
Salaries, Wages, Allowances & Bonus etc.	127.66	136.77
Contribution to provident and other funds for others	14.91	10.72
Gratuity Expenses	3.80	(2.19)
Staff welfare Expenses	0.11	0.96
Total	146.48	146.26

The company has a defined benefit gratuity plan. The following table summaries the components of net benefit expense recognized in the restated standalone summary statements of profit and losses and amount recognized in the restated standalone summary statements of assets and liabilities for the plan.

Particulars	31-Mar-15	31-Mar-14
	(IGAAP)	(IGAAP)
Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Period	17.37	19.56
Interest Cost	1.39	1.76
Current Service Cost	4.00	1.83
Actuarial (Gains)/Losses on Obligations		
Due to Change in Financial Assumptions	2.30	-5.78
Due to Experience	-3.90	0.00
Present Value of Benefit Obligation at the End of the Period	21.16	17.37
Table Showing Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Period	NA	NA
Expected Return on Plan Assets	NA	NA
Contributions by the Employer	NA	NA
Actuarial Gains/(Losses) on Plan Assets Due to Experience	NA	NA

Fair Value of Plan Assets at the End of the Period	NA	NA
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	4.00	1.83
Net Interest Cost	1.39	1.76
Actuarial (Gains)/Losses	-1.60	-5.78
Expenses Recognized in the Statement of Profit or Loss	3.79	-2.19
Amount recognized in Balance Sheet		
Present value of Benefit Obligation as at balance sheet date	21.16	17.37
Fair Value of Plan Assets as at balance sheet date	NA	NA
Net Liability/ (Asset) recognized in Balance Sheet	21.16	17.37
Assumptions (Closing Period)		
Expected Return on Plan Assets	NA	NA
Rate of Discounting	8.00%	9.00%
Rate of Salary Increase	7.00%	7.00%
Rate of Employee Turnover	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

Note No. 21: Finance costs

(Rs. In Lacs)

Particulars	31st March 2015	31st March 2014
Interest Expense		
Interest on short-term loans from banks	57.16	60.04
Other interest charges	4.39	0.82
	61.55	60.86
Other Borrowing costs		
Other Finance Cost	3.78	4.58
	3.78	4.58
Total	65.33	65.44

Note No. 22: Other expenses

(Rs. In Lacs)

Particulars	31st March 2015	31st March 2014
Operative Expenses		
Cartage and Labour Charge	0.11	0.08
Commission Expense	0.00	3.90
Data entry Service Charges	331.32	199.44

Discount Expense	1.95	-
Man Power supply expense	-	0.10
Power and fuel	1.83	1.56
Technical and Tender Fees Expenses	0.82	0.38
Administrative & Other Expenses		
Advertising expenses	0.05	0.24
Audit fees	0.40	0.28
Books periodicals	-	-
ESIS Penalty	1.25	0.09
Insurance expenses	0.28	0.21
Internet Charges	0.86	2.32
Legal and professional expenses	4.16	3.22
Membership Fees Expense	0.78	0.00
Municipal Tax	0.85	0.55
Office Expense	2.03	2.28
Other Expenses	1.59	0.49
Petrol Expense	0.10	0.10
Postage and Courier	0.10	0.14
Printing and stationery	1.04	5.17
Professional Tax Expense	0.02	0.02
Project Management and Consultancy Expenses	12.80	0.00
Renewal Charges	0.00	0.05
Sales Promotion Expenses	0.24	0.00
Sales Promotion Expenses	0.02	0.00
Service Tax Penalty	0.00	0.33
Sundry balance w/o	0.00	5.22
Sundry balance w/o	2.68	0.00
Tea and Refreshment Expenses	0.44	0.42
Telephone and postage expenses	1.82	7.08
Transport Charges	0.20	0.20
Travelling Expenses	2.25	3.54
Rent		
Rent Expense	0.99	1.93
Rent for Computer Systems	0.00	0.16
Rent for Computer Scanner	76.65	0.00
Repairs & Maintenance		
Repairs and maintenance of other assets	0.82	2.08
Total	448.45	241.58

Note No 23: Statement of Related Party Transaction

Sr. No.	Name of the related parties with whom transactions were carried out during the years and description of relationship	
1	Holding Company	Asya Infsoft Ltd
2	Subsidiary Company	NIL
3	Associate Company	NIL

4	Key Managerial Person	Sandip R Shah Ketan N Shah
5	Relative of Key Management Persons	Mona S Shah Hemal K Shah
6	Enterprises Owned or controlled by Key Management personnel and/or their relatives	Mark Infotech
7	Entities having significant influence on company	NIL

Sr. No.	Particular	March 31, 2015	March 31, 2014
Key Management Personnel			
1	<u>Sandip R Shah</u>		
	Op Bal.	0.73	1.36
	Loan taken from Director	26.84	24
	Amount Repaid/ abjusted	12.55	24.63
	Cl Bal.	15.02	0.73
	Salary to Director	9.60	9.6
2	<u>Ketan N Shah</u>		
	Op Bal.	1.76	11.59
	Loan taken from Director	15.61	2.75
	Amount Repaid/ abjusted	3.94	12.58
	Cl Bal.	13.43	1.76
	Salary to Director	9.60	9.6
Holding Company			
1	<u>ASYAInfosoft Ltd</u>		
	Op Bal.	0	0
	IT Jobwork	0	0
	Software Asset	0	0
	Amount Repaid/ abjusted	0	0
	Cl Bal.	0	0
	Share Capital Received		
	Share Premium Received		

Relative of Director			
1	<u>Mona S Shah</u>		
	Op Bal.	0	0
	Cl Bal.	0	0
	Salary	4.2	4.2
	Rent	0	0
2	<u>Hemal K Shah</u>		
	Op Bal.	0	0
	Cl Bal.	0	0
	Salary	4.2	4.2
	Rent	0	0
Company/entity owned or significantly influenced by directors/KMP			
1	<u>Mark Infotech</u>		
	Op Bal.	0	0
	IT Jobwork	0	0
	Amount Repaid/ abjusted	0	0
	Cl Bal.	0	0

Note No. 24 Contingent Liabilities

(Rs. In Lacs)

Contingent Liabilities		
	Rs. In Lacs	
Particulars	14-15	13-14
	(IGAAP)	(IGAAP)
Bank Guarantee	40.79	93.13
Claims against the Company not Acknowledged as Debt	-	-
Total	40.79	93.13

NOTE 25: Balances of Debtors, Creditors and Loans & Advances are subject to confirmation. Adjustments, if any, will be made at the time of reconciliation of accounts.

NOTE 26 : Previous year's figures have been regrouped / reclassified to make them comparable with those of the

As per our Report of even date attached
For H.K. SHAH & CO.
Chartered Accountants
FRN: 109583W

For & on behalf of the Board of Directors

Director
DIN:

Director
DIN:

CA MALAV DESAI
Partner
M No.:135524
Date: September 24, 2018
Place: AHMEDABA

Ideal Systems Limited
Restated Statement Of Tax Shelter (Rs. In Lacs)

Annexure VI - B

	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Restated Profit before tax (A)	10,840,833	10,821,550
	Tax Rate (%)	30.90%	32.45%
	MAT Rate	20.01%	20.01%
	<u>Adjustments :</u>		
1)	<i>Tax Impact of Permanent Differences</i>		
	Donation	-	-
	Interest on TDS	51,828	53,023
	Other Item of Addition under section 28 to 44AD	125,122	42,339
	Interest On late payment of Tax	-	-
	Profit/Loss on sale of Fixed Assets	-	-
	Total Tax Impact of Permanent Differences(B)	176,950.00	95,362
2)	<i>Tax Impact of Timing Differences</i>		
	Disallowance U/s 40a(ia)	-	(218,810.00)
	Disallowance U/s 43 B	379,065.00	3,031,504
	Disallowed In Earlier Years Allowed This year	(1,600,000)	(4,033,291)
	Disallowed U/s 40 A	-	-
	Difference between Provision for Gratuity And Payment of Gratuity	-	-
	Difference between tax depreciation and book depreciation	4,456,747	1,580,610
	Total Tax Impact of Timing Differences (C)	-	360,013
	Net Adjustments D = (B+C)	5,500,732	455,375
	GROSS TOTAL INCOME	5,340,101	11,276,925
Less:	STCL (E)	-	-
Less:	Deduction u/s 80 IB (F)	-	-
	Set off Of Losses	-	-
	TOTAL INCOME(A+D-E-F)	5,340,101	11,276,925
	TOTAL INCOME (Round Off U/s 288A)	5,340,110	11,276,930

	Carried Forward Losses	-	-
	Restated Profit for The Purpose of MAT	10,840,833	10,821,550
	Income Tax as per MAT	2,169,007	2,165,149
	MAT Credit Availed		
	Income Tax as computed	1,650,094	3,658,800
	MAT Credit Availed		
	Mat Credit Entitlement	518,913	
	Tax paid as per normal or MAT	MAT	Income Tax

Notes :

- The aforesaid statement of tax shelters has been prepared as per the restated summary statement of profits and losses of the company. The permanent/timing differences have been computed considering the acknowledged copies of the income – tax respective years stated above. The changes in tax liability and the interest thereon arising on account of assessment proceedings, notices, appeals etc has been adjusted in the tax liability of the year.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, statement of adjustments for restated profit & loss, profits and losses and cash flows appearing in Annexure I – B, V-B, II-B & III-B.

Ideal Systems Limited

Annexure VII - B

Restated Statement of Changes Profit and Loss (Rs. In Lacs)

Particulars	March 31,2015	March 31,2014
Profit as Per Audited Accounts (A)	87.64	72.01
Add: Depreciation & Amortisation as per Audited Accounts	3.79	25.68
Add: DTL as per Audited Accounts	4.30	-5.31
Add: Gratuity Expenses	0.00	0.00
Add : MAT Credit As per Audited Accounts	0.00	0.00
Add : Current Tax as per Audited Accounts (Including MAT)	23.00	37.96
Less : Revenue from Operations	3066.95	2978.17
Less : Other Income	27.18	10.70
TOTAL (B)	-3063.04	-2930.54
Less: Depreciation & Amortisation as per Restated Accounts	3.79	24.31
Less : DTL as per Restated Accounts	17.54	-1.11
Less : Gratuity as per Restated Accounts	3.79	-2.19
Less : MAT Credit As per Restated Accounts	-5.19	0.00
Less : Current Tax including interest on late payments of tax as per Restated Accounts	21.69	36.59
Add: Revenue from Operations	3065.58	2978.17
Add: Other Income	25.81	10.70
TOTAL (C)	-3049.77	-2931.27
Profit as per Restated Accounts (A+B-C)	74.36	72.74

Ideal Systems Limited
Restated Statement of Accounting Ratios

Annexure VIII - B
(Rs. In Lacs)

Particulars	2014-15	2013-14
No. of Shares at the beginning of the year	908200	908200
Further issue of shares	-	-
No. of Equity Shares Outstanding at the end of the year (A)	908200	908200
Weighted No. of Shares		
No. of shares at the beginning of the year	908200	908200
Equivalent No of Shares from date of issue	-	-
Amount received on Partly paid up shares	-	-
Weighted No. of Shares (B)	908200	908200
Weighted No of Shares assuming bonus from earliest period		
No. of Shares without bonus issue	908200	908200
Equivalent No of shares from date of issue	-	-
Amount received on Partly paid up shares	-	-
Bonus Shares issue on 29-08-2018	11806600	11806600
Weighted No of shares assuming bonus from earliest period (C)	12714800	12714800
Restated Net Profit after Tax, attributable to equity shareholders (D)	74.36	72.74
Nominal Value per Equity Share (Rs.)	10	10
Restated Net Worth (E)	543.29	500.94
Earnings Per Share		
Basic & Diluted (D/B)	8.19	8.01
Basic & Diluted assuming bonus from earliest period (D/C)	0.58	0.57
NAV – As per closing No. of Shares (E/A)	59.75	91.70
NAV – As per weighted No. of Shares as on balance sheet date (E/B)	59.83	55.17
NAV – As per weighted no. of shares assuming bonus from the earliest period (E/C)	4.27	3.93
Return on Net Worth (D/E)	13.69%	14.52%

2. Formulas for accounting Ratios

Basic and Diluted Earnings Per Share (EPS) (Rs.)	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year}}$
Return on Net Worth (%)	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth at the end of the year}}$
Net Asset Value per equity share (Rs.)	$\frac{\text{Restated Net Worth of at the end of the year}}{\text{Number of Equity Shares outstanding at the end of the year / period}}$

**Ideal Systems Limited
B**

Annexure IX -

Restated Statement of Dividend Paid

(Rs. In Lacs)

Particulars	2014-15	2013-14
No. of Shares Fully Paid Up(in Lacs)	9.08	9.08
No. of Shares Partly Paid Up(in Lacs)	14.53	14.53
Face Value (Rs.)	10	10
Final Dividend Amount (Rs.)		
Dividend Per Share (Rs.)	-	-
Rate of Dividend (%)	0%	0%
Total	-	-

**As per our Report of even date attached
For H.K. SHAH & CO.
Chartered Accountants
FRN: 109583W
Director**

For & on behalf of the Board of Directors

Director

DIN:

DIN:

**CA MALAV DESAI
Partner
M No.:135524
Date: September 24, 2018
Place: AHMEDABA**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements for the Period ended F.Y. ended March 31, 2018, 2017, 2016, 2015 and 2014 including the notes and significant accounting policies thereto and the reports thereon, which appear elsewhere in this Draft Prospectus. You should also see the section titled "Risk Factors" beginning on page 14 of this Draft Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on restated audited financial statements.

These financial statements have been prepared in accordance with IND-AS, Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated September 24, 2018 which is included in this Draft Prospectus under the section titled "Financial Information" beginning on page 128 of this Draft Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

Accordingly, the degree to which the financial statements in this Draft Prospectus will provide meaningful information depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our F.Y. ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year. Please also refer to section titled "Certain Conventions, Use of Financial, Industry and Market Data and Currency of Presentation" beginning on page 11 of this Draft Prospectus.

Business Overview

For further details, please refer to section titled "Our Business" beginning on page 83 of this Draft Prospectus.

Our Significant Accounting Policies:

Our significant accounting policies are described in the section entitled "*Financial Information of the Company*" on page no. 128 of the Draft Prospectus.

Change in accounting policies in previous 3 (three) years:

Except as mentioned in chapter "*Financial Information of the Company*" on page no. 128 of this Draft Prospectus. There has been no change in accounting policies in last 3 (three) years.

Summary of the Results of Operation:

The following table sets forth select financial data from restated profit and loss accounts for Financial Year ended on March 31, 2014, 2015, 2016, 2017 & 2018 and the components of which are also expressed as a percentage of total income for such periods.

(Rs. In Lakhs)

Particulars	For the year ended 31 st march				
	2018	2017	2016	2015	2014
Revenue from Operations	3,338.52	3,826.38	3,137.77	3,065.60	2,978.17
% of Total Revenue	97.78%	97.36%	98.57%	99.16%	99.64%
Other income	75.78	103.94	45.43	25.82	10.72
% of Total Revenue	2.22%	2.64%	1.43%	0.84%	0.36%
Total Revenue	3,414.30	3,930.32	3,183.20	3,091.42	2,988.89
% of Total Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Expenses:					
Purchase of Stock in Trade	1,410.23	3,043.20	2,355.42	2,398.21	2,423.73
% of Total Revenue	41.30%	77.43%	74.00%	77.58%	81.09%
Employee Benefits Expense	138.57	145.85	172.92	146.48	146.26
% of Total Revenue	4.06%	3.71%	5.43%	4.74%	4.89%

Administrative and other Expenses	1,919.80	474.99	548.88	448.45	241.58
% of Total Revenue	56.23%	12.09%	17.24%	14.51%	8.08%
Finance Costs	50.17	68.54	58.28	65.33	65.44
% of Total Revenue	1.47%	1.74%	1.83%	2.11%	2.19%
Depreciation And Amortization Expense	49.86	68.08	59.04	3.79	24.31
% of Total Revenue	1.46%	1.73%	1.85%	0.12%	0.81%
Changes in inventory of Stock in Trade	-291.57	53.42	-135.63	-79.25	-20.65
% of Total Revenue	-8.54%	1.36%	-4.26%	-2.56%	-0.69%
Total Expenses	3,277.06	3,854.08	3,058.91	2,983.01	2,880.67
% of Total Revenue	95.98%	98.06%	96.10%	96.49%	96.38%
Profit before exceptional and extraordinary items and tax (A-B)	137.24	76.24	124.29	108.41	108.22
% of Total Revenue	4.02%	1.94%	3.90%	3.51%	3.62%
Exceptional/Prior Period item	-	-	-	-	-
% of Total Revenue	0.00%	0.00%	0.00%	0.00%	0.00%
Profit before extraordinary items and tax	137.24	76.24	124.29	108.41	108.22
% of Total Revenue	4.02%	1.94%	3.90%	3.51%	3.62%
Extraordinary item	-	-	-	-	-
% of Total Revenue	0.00%	0.00%	0.00%	0.00%	0.00%
Profit Before Tax	137.24	76.24	124.29	108.41	108.22
% of Total Revenue	4.02%	1.94%	3.90%	3.51%	3.62%
Provision for Tax					
- Current Tax	31.21	57.8	47.23	21.69	36.59
- Deferred Tax Liability / (Asset)	13.56	-23.36	-0.22	17.55	-1.11
MAT Credit Entitlement	-	-	5.19	-5.19	-
Total Tax Expenses	44.77	34.44	52.2	34.05	35.48
% of Total Revenue	1.31%	0.88%	1.64%	1.10%	1.19%
Restated profit after tax for the period from continuing operations	92.47	41.8	72.09	74.36	72.74
% of Total Revenue	2.71%	1.06%	2.26%	2.41%	2.43%
Profit/ (Loss) from Discontinuing operation	-	-	-	-	-
Tax expenses of discontinuing operations	-	-	-	-	-
Restated profit for the period	92.47	41.8	72.09	74.36	72.74
% of Total Revenue	2.71%	1.06%	2.26%	2.41%	2.43%

Key Components of Our Profit And Loss Statement

Revenue from operations: Revenue from operations mainly consists of Receipts from Sale of Software and Hardware.

Expenses: Our expenses include purchasing of raw material use for project, depreciation and amortization expense and other expenses.

Employee benefits expense: Employee benefit expense includes salaries and wages, staff welfare expenses, bonus, Directors remuneration and Contribution to Provident Fund and Gratuity.

Finance Costs: Finance cost comprises Interest on Indebtedness, bank and other Finance charges.

Depreciation and amortization expense: We recognize depreciation and amortization expense on a Written down value method as per the provisions set forth in the Companies Act 2013 from 1st April 2014 and rates set forth in Companies Act, 1956 for prior period to 1st April 2014.

Administration & Other expenses: Other expenses consist of Rent, Advertisement and Other Administrative Expenses.

Comparison of the Financial Performance of Fiscal 2018 with Fiscal 2017

Total Revenue: Total Revenue for the F.Y. 2018 stood at Rs. 3338.52 Lakhs where as in F.Y. 2017 the same was Rs. 3826.38 Lakhs i.e. decreases of 12.75%.

Total Expenses: Total expenditure for the F.Y. 2018 decreased to Rs. 3277.06 Lakhs from Rs. 3854.08 Lakhs compared to the previous financial year, decreasing by 14.97%. This was mainly due to decrease in Purchases.

Employee benefits expense: Employee benefits expense decreased to Rs. 138.57 Lakhs from Rs. 145.85 Lakhs in the year F.Y 2018 from its previous year, i.e. a decrease of 4.99%. This was due to slowdown in the operation of the business.

Depreciation and amortization expense: Depreciation and amortization expense decreased from Rs. 68.08 Lakhs in F.Y. 2017 to Rs. 49.86 Lakhs in F.Y. 2018.

Administration & Other Expenses: Administration & Other expenses for the F.Y 2018 stood at Rs. 1919.80 Lakhs; whereas it was Rs. 474.99 Lakhs in previous financial year i.e. a increase of 304.17%.

Net Profit before tax and Exceptional/ prior period items: Net Profit before tax and Exceptional / prior period items for the F.Y 2018 increased from Rs. 76.24 Lakhs in F.Y. 2017 to Rs. 137.24 Lakhs in F.Y. 2018. The increase in profit before tax was 80.01%.

Restated profit after tax: The Company reported Restated profit after tax for the F.Y 2018 of Rs. 92.47 Lakhs in comparison to Restated profit after tax Rs. 41.80 Lakhs in F.Y. 2017 representing increase of 121.22%

Comparison of the Financial Performance of Fiscal 2017 with Fiscal 2016

Total Revenue: Total Revenue for the F.Y. 2017 stood at Rs. 3826.38 Lakhs where as in F.Y. 2016 the same was Rs. 3137.77 Lakhs i.e. increases of 21.95%.

Total Expenses: Total expenditure for the F.Y. 2017 increased to Rs. 3854.08 Lakhs from Rs. 3058.91 compared to the previous financial year, increasing by 25.99%. This was mainly due to increase in Purchases.

Employee benefits expense: Employee benefits expense decreased to Rs. 145.85 Lakhs from Rs. 172.92 Lakhs in the year F.Y 2017 from its previous year, i.e. decrease of 15.56%.

Depreciation and amortization expense: Depreciation and amortization expense increased from Rs. 59.04 Lakhs in F.Y. 2016 to Rs. 68.08 Lakhs in F.Y. 2017.

Administration & Other Expenses: Administration & Other expenses for the F.Y 2017 stood at Rs. 474.99 Lakhs whereas it was Rs. 548.88 Lakhs in previous financial year i.e. decrease of 13.46%.

Net Profit before tax and Exceptional/prior period items: Net Profit before tax and Exceptional/prior period items for the F.Y 2017 decreased to Rs. 76.24 Lakhs from Rs. 124.29 Lakhs in F.Y. 2016. The decrease in profit before tax was 38.66% due to increase in expenses.

Restated profit after tax: The Restated profit after tax for the F.Y 2017 decreased to Rs. 41.80 Lakhs from profit of Rs. 72.09 Lakhs in F.Y. 2016 representing decrease of 42.02%.

Comparison of the Financial Performance of Fiscal 2016 with Fiscal 2015

Total Revenue: Total Revenue for the F.Y. 2016 stood at Rs. 3137.77 Lakhs where as in F.Y. 2015 the same was Rs. 3065.60 Lakhs i.e. increases of 2.30%.

Total Expenses: Total expenditure for the F.Y. 2016 increased to Rs. 3058.91 Lakhs from Rs. 2983.01 compared to the previous financial year, increasing by 2.48%. This was mainly due to increase in Expenses.

Employee benefits expense: Employee benefits expense increased to Rs. 172.91 Lakhs from Rs. 146.48 Lakhs in the year F.Y 2016 from its previous year, i.e. increase of 15.29%.

Depreciation and amortization expense: Depreciation and amortization expense increased from Rs. 3.79 Lakhs in F.Y. 2015 to Rs. 59.04 Lakhs in F.Y. 2016.

Administration & Other Expenses: Administration & Other expenses for the F.Y 2016 stood at Rs. 548.88 Lakhs whereas it was Rs. 448.45 Lakhs in previous financial year i.e. increase of 18.30%.

Net Profit before tax and Exceptional/prior period items: Net Profit before tax and Exceptional/prior period items for the F.Y 2016 increased to Rs. 124.29 Lakhs from Rs. 108.41 Lakhs in F.Y. 2015. The increase in profit before tax was 12.78% due to increase in Revenue.

Restated profit after tax: The Restated profit after tax for the F.Y 2016 decreased to Rs. 72.09 Lakhs from profit of Rs. 74.36 Lakhs in F.Y. 2015 representing decrease of 3.15%.

Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

Unusual or infrequent events or transactions:-There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

Significant economic changes that materially affected or are likely to affect income from continuing operations:-There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:-

Apart from the risks as disclosed under section titled "Risk Factors" beginning on page 14 of this Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

Future changes in relationship between costs and revenues:- Our Company's future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by our suppliers.

Increases in net sales or revenue and Introduction of new products or services or increased sales prices:- Increases in revenues are by and large linked to increases in volume of business.

Seasonality of business: - Currently our Company's business is not seasonal in nature. For further details please refer to sections titled "Risk Factors" and "Our Business" beginning on pages 14 and 83 respectively of this Draft Prospectus.

Key Components of Our Profit And Loss Statement – Not Applicable since we are not dependent on few customers or suppliers.

Competitive conditions:

Competitive conditions are as described under section titled "Industry Overview and "Our Business" beginning on pages 73 and 83 respectively of this Draft Prospectus

Details of material developments after the date of last balance sheet i.e. March 31 2018

There are no material developments except increase in authorised share capital, and bonus issue. Refer "Capital structure" beginning on page no. 47 for further information

STATEMENT OF FINANCIAL INDEBTEDNESS

S. No	Charge ID	Date of creation of charge or date of acquisition of property subject to charge	Date of registration of creation of charge	Short description of the property charged	Period and amount secured by the charge	Names and addresses of the charge holder	Particulars of the terms and conditions of the charge	Description of the instrument creating the charge	Date of modification of charge	Date of registration of modification of charge	Description of the instrument modifying the charge	Particulars of modification
1	80016214	02.03.2006	02.03.2006	Immovable property- Office premises admeasuring 192 sq. mtrs.	75,26,000	Bank of Baroda, Ashram road,			30.10.2006 03.02.2009	30.10.2006 03.02.2009	Instrument of Extension Relating to Deposit of Title Deeds	Inland L/c :- 200 lacs:- 15/cash/FDR & Inland guarantee:- Rs.45.41 lacs:- 10%cash/FDR Modified to:- 3,20,67,000 0.75% below BPLR i. e. 11.75% p. a. Cash Credit : 25% on all Stock, Raw Material, Work In Progress, Finished Goods and Stores & Spares 40% on Book Debts Clean Overdraft facility

												(Fresh) :15% Inland Bank Guarantee :15% Modified to:- 2,80,00,000
2	8001621 1	18.02.200 6	18.02.2006	Agreement of Hypothecatio n Goods, Book Debts, Movable, Machineries and Vehicles	75,26,00 0	Bank of Baroda, Ashram road,		Hypothecatio n on all the Stocks and Book Debts and other Current assets of the Company	30.10.2006	30.10.2006		Inland L/C- Rs.200 lacs- 15% cash/FDR and Inland guarantee- Rs.45.41 lacs -10 % cash/FDR Modified to:- 3,20,67,000
									18.02.2009	18.02.2009		0.75% below BPLR i. e. 11.75% p. a. Cash Credit : 25% on all Stock, Raw Material, Work In Progress, Finished Goods and Stores & Spares 40% on Book Debts Clean Overdraft facility (Fresh) :15%

												Inland Bank Guarantee :15% Modified to:- 2,80,00,000
									25.03.2010			Cash credit against book debts : 0.50% below BPLR i. e. 11.50% p. a. Clean overdraft facility : At BPLR i.e12% p. a Cash Credit : Book Debts : 40% Clean overdraft facility : 20% Inland Bank Guarantee : 15% Modified to:- 4,60,00,000
3	1048211 7	03.07.201 4	03.07.2014	Book debt, movable property	60,00,00 0	Bank of Baroda, Ashram road,	2% above the sanctioned rate i.e. 4.75% above Base rate i.e. 15% (Current Base Rate	Hypothecatio n of raw material, packing material, stock in process and finished goods				

							is 10.25% p.a.)					
--	--	--	--	--	--	--	--------------------	--	--	--	--	--

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or alleging criminal or economic offences or tax liabilities or any 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) against our Company, Promoter, Group Companies, Directors and Subsidiaries as of the date of this Draft Prospectus that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory liabilities, institutional/ bank dues, and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.

Except as stated below there are no outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on August 27, 2018 determined that if the company is a part of the Promoter group as defined under ICDR Regulations and has entered into one or more transactions individually or cumulatively in such a way that the transaction is exceeding 10% of the consolidated net worth of the last financial year of our Company then it shall be considered as material and will be disclosed as group company.

Our Board, in its meeting held on August 27, 2018 determined that outstanding dues to creditors exceeds 10 % of consolidated trade payables of our Company as per last audited financial statements shall be considered as material dues (“**Material Dues**”).

Our Board, in its meeting held on August 27, 2018 determined that litigations involving the Company/promoters/group companies/subsidiaries other than criminal proceedings, statutory or regulatory actions and taxation matters where a monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 10% of profit after tax as per last consolidated audited financial statements and such pending cases are material from the perspective of the Company’s business, operations, prospects or reputation, shall be considered as material. Unless otherwise stated to contrary, the information provided is as of date of this Draft Prospectus.

PART I – Contingent Liabilities of Our Company

Particulars	Amount (in Lacs)
Income Tax demands / Notices before CIT Appeals/TDS	124
Bank Guarantees/Corporate Guarantees	94.61
TOTAL	218.61

A.PART II: LITIGATION RELATING TO OUR COMPANY FILED AGAINST OUR COMPANY

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities:

Income Tax

2011-12

A return of income was filed by our Company on September 30, 2011 for the A.Y. 2011-12 declaring a total income of Rs. 72,75,820. A notice dated August 23, 2018 under 147 of the Income Tax Act, 1961 has been issued by the Assistant Commissioner of Income Tax, Circle-2(1), Ahmedabad as per which there is an escapement of income to the extent of Rs. 7,01,76,101 and accordingly the assessment proceedings were reopened.

The matter is still pending before the Authorities.

2016-17

A notice dated July 13, 2018 under section 142(1) of the Income Tax Act, 1961 has been issued by Assistant Commissioner of Income Tax, Circle-2(1), Ahmedabad directing the Company to furnish certain specific details.

In response to the above notice, the Authorised representative has submitted the said details to the concerned authorities.

The matter is still pending before the Authorities.

2017-18

A return of income was filed by the Company for the A.Y. 2017-18 and thereafter notice dated August 09, 2018 under section 143(2) of the Income Tax Act, 1961 has been issued by Assistant Commissioner of Income Tax, Circle-2(1), Ahmedabad directing the Company to furnish certain specific details

In response to the above notice, the Authorised representative has submitted the said details.

The matter is still pending before the Authorities.

TDS

As per TDS Reconciliation Analysis and Correction Enabling System (TRACES), website of Income Tax for TDS, there are following defaults in payment of TDS by the Company :

(Amount in Rs.)

Sr. No.	Financial Year	Default
1.	Prior Years	10,74,276.1
2.	2014-15	13,14,04.00
3.	2015-16	18,200.00
4.	2016-17	2,16,821.60
5.	2017-18	29,800.00
Total		14,70,501.00

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. CASES FILED BY OUR COMPANY

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

NIL

4. Other Pending Litigations

Civil Suit No. 77 of 2017 in the matter of M/s Ideal Systems Pvt.Ltd & Ors (including Asia Infosoft Ltd.(Our Group Company) v Horizon Outsources Solutions Pvt. Ltd & Ors

A Civil Suit No. 77 of 2017 dated January13, 2017 has been filed before the City Civil Court, Ahmedabad by our Company and the Group Company.. Defendant No.1 is engaged in the business of outsourcing and is managed by Mr. Amitbhai Upadhaya. The Defendant Company was in need of money and therefore it requested our Company to lend an amount of Rs. 15,00,000, with an intention to return the amount within one month . Our Company considering the request of the Defendant, deposited an amount of Rs. 15,00,000 from its account numbering 70081010007224 in SyndicateBank to the Defendant's No. 2 account. Even after the completion of one month, the Defendant failed to pay the promised amount.

Our Company therefore prayed before the Hon'ble Court to pass an order for a decree amount of Rs. 15,00,000 and an additional amount of Rs. 8,00,000 as damages against the Defendants .

The matter is still pending before the Court.

PART 2: LITIGATION RELATING TO OUR PROMOTERS

A. FILED AGAINST OUR PROMOTERS

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

NIL

4. Other Pending Litigations

NIL

A. CASES FILED BY OUR PROMOTERS

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

3. Litigation involving Tax Liabilities

NIL

4. Other Pending Litigations

NIL

PART 3: LITIGATION RELATING TO OUR DIRECTORS (OTHER THAN THE PROMOTERS OF THE COMPANY)

A. LITIGATION AGAINST OUR DIRECTORS

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION BY OUR DIRECTORS

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

NIL

4. Other Pending Litigations

NIL

PART 4: LITIGATION RELATING TO OUR GROUP ENTITIES

A. LITIGATION AGAINST OUR GROUP ENTITIES

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

ASYA INFOSOFT LIMITED

Income Tax:

2017-18

A return of income was filed by the Company for the A.Y. 2017-18 .A notice dated August 13, 2018 under section 143(2) of the Income Tax Act, 1961 has been issued by Assistant Commissioner of Income Tax, Circle-2(1), Ahmedabad directing the Company to furnish certain specific details. The matter is still pending before the Authorities.

TDS

As per TDS Reconciliation Analysis and Correction Enabling System(TRACES), website of Income Tax for TDS, there are following defaults in payment of TDS by the Group Company :

(Amount in Rs.)

Sr. No	Financial Year	Default
1.	Prior Years	7,303.00
2.	2014-15	200.00
Total		7,503.00

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION BY OUR GROUP ENTITIES

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

NIL

4. Other Pending Litigations

Civil Suit No. 77 of 2017 in the matter of M/s ASYA Indosoft Ltd. & Ors (including Idea Systems Private Limited.(Issuer Company) v Horizon Outsources Solutions Pvt. Ltd & Ors

It is a case filed jointly by the Issuer Company and Group Company and details have already been disclosed under Point B(4).

PART 5: LITIGATION RELATING TO OUR SUBSIDIARY COMPANIES

There are no subsidiaries of our Company.

PART 6: AMOUNTS OWED TO CREDITORS

As of July 31, 2018, our Company had 7 creditors, to whom a total amount of Rs. 1610.27 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated August 27, 2018, the creditors to whom outstanding dues to creditors exceeds 10 % of consolidated trade payables of our Company as per last audited financial statements shall be considered as material dues.

Sr. No.	Particulars	Amount (Rs. in lacs)
1.	Amounts owed to Material Creditors	1,610.27
2.	Amounts owed to Micro Enterprises and Small Scale Undertakings	Nil
3.	Other Creditors (excluding Material Creditors)	Nil
	Total	1,610.27

For complete details about outstanding dues to creditors of our Company, please see website of our Company, -www.islindia.com .Information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website -www.islindia.com would be doing so at their own risk.

PART 7: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled “Management’s Discussion & Analysis of Financial Conditions & Results of Operations” beginning on page no. 199, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Draft Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board of Directors have, pursuant to a resolution passed at its meeting held on [●] authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013 and such other authorities as may be necessary.
- b. The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of shareholders held on [●].
- c. Our Company has obtained approval from SME platform of the by way of a letter dated [●] to use the name of the Stock Exchange in this Draft Prospectus for listing of Equity Shares on the Stock Exchange.
- d. NSDL/CDSL: ISIN: [●]

II. Approvals obtained by our Company

S NO	NATURE OF LICENSE/APPROV AL	REGISTRATION/LICE NSE NO.	ISSUING AUTHORIT Y	DATE OF GRANTING LICENSE/APPROV AL	VALIDIT Y
1.	Certificate of Incorporation in the name of "Ideal Systems Private Limited"	31197 of 1996-97	Registrar of Companies, Gujarat, Dadra & Nagar Haveli	November29, 1996	One time registratio n
2.	Fresh Certificate of Incorporation consequent upon change of name of our Company from "Ideal Systems Private Limited" to "IdealSystems Limited"	U30007GJ1996PLC031197	Registrar of Companies, Ahmedabad	September 11, 2018	One time registratio n
Tax Related Approvals					
3.	Permanent Account Number ("PAN")	AAACI4693J	Income Tax Department	November29, 1996	One time registratio n
4.	Tax Deduction Account Number ("TAN")	AHMI00041G	Income Tax Department	June 15, 2001	One time registratio n
5.	Registration Certificate of Goods & Service Tax ("GST")	24AAACI4693J1ZE	Central Board of Excise and Customs	September 19, 2017	One time registratio n

S NO .	NATURE OF LICENSE/APPROVAL	REGISTRATION/LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANTING LICENSE/APPROVAL	VALIDITY
6.	Professional Tax Registration Certificate ("PTRC") under the Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976	PRC015170072	Professional Tax Assessment Authority	February 01, 2012	One time registration
7.	Professional Tax Enrolment Certificate ("PTEC") under the Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976	PE/C015170838	Professional Tax Assessment Authority	February 25, 2011	One time registration
Business Related Approvals of the Company					
8.	Registration under the Employees Provident Funds and Miscellaneous Provisions Act, 1952	GJ/AHD/52991	Assistant Provident Fund Commissioner, Regional Office, Ahmedabad	With effect from - February 01, 2007 Date of registration - April 04, 2007	One time registration
9.	Registration under Employees' State Insurance Act, 1948	37000259890001008	Assistant Director ESI Corporation, Gujarat Regional Office, Ahmedabad	With effect from May01, 2007 Date of registration - October 31, 2007	One time registration
10.	Certificate of Importer- Exporter Code ("IEC")	0805009841	Foreign Trade Development Officer, Ministry of Commerce, Government of India	October 19, 2005	One time registration
11.	Renewal and Regularisation of Small-Scale Industry Registration	04/01/49827/PMT/SSI	Managing (R.M), District Industries Centre, Ahmedabad	January 17, 2001	One time registration

Certificates

S N O.	NATURE OF LICENSE/APPROVAL	REGISTRATION/LICENSE/CERTIFICATE NO.	ISSUING AUTHORITY	DATE OF GRANTING LICENSE/APPROVAL	VALIDITY
1.	ISO 9001:2015	18IQBY28 for the following scope of activities: Software & Web Development, BPO/KPO Activities (Scanning, Data Entry, Digitization & conversion into Document Management System, Data Processing) Content Creation, E-Governance Application, Technical Support & Training Service Provider, Manpower Recruitment & Supply Service and IT Enable Services & Resource Provider.	Director, AQC Middle East FZE	February 16, 2018	February 15, 2021
2.	Certification of Registration for CMMI Maturity Level 3	UQ-8845	UK Certificatio & Inspection Limited	March 01, 2017	February 28, 2019
3.	ISO 27001:2013	18IQBY28 for the following scope of activities: Software & Web Development, BPO/KPO Activities (Scanning, Data Entry, Digitization & conversion into Document Management System, Data Processing) Content Creation, E-Governance Application, Technical Support & Training Service Provider, Manpower Recruitment & Supply Service and IT Enable Services & Resource Provider.	Director, AQC Middle East FZE	March 01, 2017	February 28, 2019

III. The Details of Domain Name registered on the name of the Company is

S. No.	Domain Name and ID	Registrar IANA ID	Creation Date	Registration Expiry Date
1.	Domain Name: www.isplindia.com Domain ID: 87737367_DOMAIN_COM-VRSN	303	June 21, 2002	June 21, 2019

IV Pending Approvals Applied And Pending

We have filed the application for renewal of registration under Bombay Shops and Establishments Act, 1948 which is still awaited.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue in terms of this Draft Prospectus has been authorized pursuant to the resolution passed by the Board of Directors dated August 01, 2018 and by the shareholders pursuant to the special resolution passed in Annual General Meeting dated August 27, 2018 under Section 62(1)(c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the BSE SME Ltd for using its name in the Draft Prospectus/ Prospectus pursuant to an approval letter dated [●] BSE Limited which is the Designated Stock Exchange.

Prohibition by SEBI or other governmental authorities

We confirm that our Company, our Promoters, natural person in control of Promoter, Promoter Group, our Directors or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

Prohibition by RBI

Neither our Company, nor our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a will full defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under section titled “**Outstanding Litigations and Material Developments**” beginning on page 207 of this Draft Prospectus.

Eligibility for the Issue

- Our Company is not ineligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.
- Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations.
- Our Company is eligible for the Issue in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital will be less than Rs. 10 crore, and we may hence, issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “SME Platform of BSE Ltd”)

We confirm that:

- In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size.
- In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days

from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.

- In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed this Issue document with SEBI nor has SEBI issued any observations on our Draft Prospectus. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Draft Prospectus with Stock Exchange and the Registrar of Companies.
- In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE Ltd.
- We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.
- As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.
 1. The post issue paid up capital of the company (face value) shall not be more than Rs.25 crore.
 2. As per BSE Notice no: 20180711-23 dated 11th July, 2018 the Company should have positive Net worth as per the latest audited financial results.

(Rs. In Lakh)

Particulars	For FY 2017-18
Net worth	Rs. 2630.53 Lakhs

3. As per BSE Notice no: 20180711-23 dated 11th July, 2018 the Company should have a track record of at least 3 years and Positive Cash Accruals (Earnings Before Depreciation and Tax) from operations for at least 2 financial years preceding the Application.

(Amt. in Lakhs.)

Particulars	For F.Y. 2017-18	For F.Y. 2016-17	For F.Y. 2015-16
Earnings Before Depreciation and Tax (as restated)	187.10	144.32	183.33

4. Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated [●] and National Securities Depository Limited dated [●] and for establishing connectivity.
5. Our Company has a website i.e. www.isplindia.com
6. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
7. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.

8. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.
9. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.
10. We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE Ltd

Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE LEAD MANAGER, FINSHORE MANAGEMENT SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE DOCUMENT, THE LEAD MANAGER, FINSHORE MANAGEMENT SERVICES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED.

TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 28, 2018 WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER REGISTERING THE PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 AFTER FILING OF PROSPECTUS WITH ROC AND BEFORE OPENING OF ISSUE.

WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:

WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE

ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND

THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:

THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS-NOTED FOR COMPLIANCE

WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.

WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS: COMPLIED WITH

WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE

WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE

ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE

WE CERTIFY ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.

WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:

AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.

WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY

TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT PROSPECTUS.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING SME EXCHANGE

WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.

WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.

WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER – NOTED FOR COMPLIANCE.

WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS. - NOT APPLICABLE

WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.

WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

Note:

The filing of this Draft Prospectus does not, however, absolve our company from any liabilities under section 34, section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad, Gujarat in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Finshore Management Services Limited:

Sl. No.	Issuer Name	Issue Size (Cr)	Issue Price (in rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in Closing benchmark] 30th calendar days from listing	+/- % change In closing price, [+/- % change in closing benchmark] 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	East India Securities Ltd	92.74	920	13/03/2018	921.9	102[0.72]	0.86[+5.42]	NA
2	Sungold Media And Entertainment Limited	1.35	10	27/08/2018	9.75	NA	NA	NA
3	Powerful Technologies Limited	13.54	51	28/08/2018	48.00	NA	NA	NA

1. the benchmark index is sensx where the securities has been listed in BSE SME.

Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total Funds Raised (in Cr.)	Nos. of IPOs trading at discount - 30th calendar day from listing day			Nos. of IPOs trading at premium - 30th calendar day from listing day			Nos. of IPOs trading at discount - 180th calendar day from listing day			Nos. of IPOs trading at premium - 180th calendar day from listing day		
			Over 50 %	Between 25-50%	Less than 25 %	Over 50 %	Between 25-50%	Less than 25 %	Over 50 %	Between 25-50%	Less than 25 %	Over 50 %	Between 25-50%	Less than 25 %
2016-17	0	NA	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
2017-18	1	92.74	N.A	N.A	N.A	N.A	N.A	1	N.A	N.A	N.A	N.A	N.A	N.A
2018-19\$	2	14.89	N.A	1	1	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

\$ Upto September 27, 2018

Track Record of past issues handled by Finshore Management Services Limited

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.finshoregroup.com

Disclaimer from our Company and the Lead Manager

Our Company and the LM accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the LM (Finshore Management Services Limited) and our Company on September 24, 2018 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The LM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Caution

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakh and pension funds with a minimum corpus of ₹ 2,500.00 Lakh, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Ahmedabad, Gujarat, India only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of BSE

As required, a copy of this Issue Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter Ref.: [●] dated at permission to the Issuer to use the Exchange's name in this Issue Document on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized Issue document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be deemed or construed that the Issue document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Issue document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

The Draft Prospectus is being filed with BSE Limited.

A copy of this Draft Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Ahmedabad, ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, India.

Listing

The Equity Shares of our Company are proposed to be listed on BSE SME. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of equity shares on BSE SME.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within eight (8) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) days, be liable to repay such application money, with interest at the rate as prescribed under the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, Shall be liable to action under section 447 of the Companies, Act 2013

Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Syndicate Members, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker (s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities shall be obtained as required as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, D. V. Shah & Associates, Statutory Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on "Statement of Tax Benefits" relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Prospectus.

Experts Opinion

Except for the reports in the section "**Financial Statement as Restated**" and "**Statement of Possible Tax Benefits**" on page 128 and page 71 of this Draft Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

Expenses of the Issue

The Estimated Issue expenses are as under:

Activity	Expenses (Rs in Lakh)	% of Total Estimated Issue Expenditure	% of Issue Size
Payment to LM including, Underwriting and Selling commissions, Brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc. and other Out of Pocket Expenses	[●]	[●]	[●]
Printing and Stationery and Postage Expenses Advertising and Marketing Expenses Regulatory Fee and Expenses	[●]	[●]	[●]
Total			

Fees, Brokerage and Selling Commission payable to the LM

The total fees payable to the LM will be as per the (i) Issue Agreement dated, September 24, 2018 with the LM, Finshore Management Services Limited, (ii) the Underwriting Agreement dated [●] with Underwriter and (iii) the Market Making Agreement dated [●] with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on all Working Days from the date of the Draft Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated September 24, 2018 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Draft Prospectus or send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled "Capital Structure" beginning on page 47 of this Draft Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public Issuing of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company

Except as stated under section titled “**Capital Structure**” beginning on page 47 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

Performance vis-a-vis objects - Last Issue of Group/Associate Companies

All of our Group/ Associate are unlisted and have not made a public issue of shares in the last ten (10) years preceding the date of this Draft Prospectus.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

Option to Subscribe

Equity Shares being issued through the Draft Prospectus can be applied for in dematerialized form only.

Stock Market Data of the Equity Shares

This being a public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Malvika Kapasi, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Malvika Bhadreshbhai Kapasi
Ideal Systems Limited

4th Floor H N House (Nidhi Complex)
Near Under Bridge Stadium Five Roads Navrangpura,
Ahmedabad-380009, India

Tel. No: +91 79-2646 2334

E-mail: ispl@isplindia.com

Website: www.isplindia.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

Change in Auditors during the last three (3) years

There is no change in the auditor since last 3 years.

Capitalization of Reserves or Profits

Except as disclosed under section titled "Capital Structure" beginning on page 47 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to

such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “**Statement of Possible Tax Benefits**” beginning on page 71 of this Draft Prospectus.

Purchase of Property

Other than as disclosed under section titled “**Our Business**” beginning on page 83 of this Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Servicing Behaviour

Except as stated in this Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under sections titled “**Our Management**” and “**Related Party Transactions**” beginning on pages 103 and 125 respectively of this Draft Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VIII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the abridged prospectus, Application Form, CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms,

AUTHORITY FOR THE PRESENT ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on August 01, 2018 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the AGM of the Company held on August 27, 2018.

RANKING OF EQUITY SHARES

The Equity Shares being Issue shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled “**Main Provisions of Articles of Association**” beginning on page 259 of this Draft Prospectus.

MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act, 2013, as may be applicable, the Articles of Association of our Company, the provisions of the SEBI Listing Regulations and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by our Board of Directors and approved by our Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, For further details in relation to dividends, please refer to sections titled “**Dividend Policy**” and “**Main Provisions of the Articles of Association**” beginning on 127 and 259 respectively of this Draft Prospectus.

FACE VALUE AND ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “**Basis for Issue Price**” beginning on page 69 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations as amended time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of our Company, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the previous Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provision of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/ or consolidation / splitting, etc., please refer to section titled "**Main Provisions of Articles of Association**" beginning on page 259 of this Draft Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issuer:

1. Tripartite agreement dated [●] between our Company, NSDL and the Registrar to the Issue.
2. Tripartite agreement dated [●] between our Company, CDSL and the Registrar to the Issue

The trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Draft Prospectus will be done in multiples of 6,000 Equity Shares subject to a minimum allotment of 6,000 Equity Shares to the successful Applicants in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

JOINT HOLDERS

Where two (2) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be

made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board, elect either:

To register himself or herself as the holder of the Equity Shares; or
To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List of Public Issue

ISSUE PROGRAMME

ISSUE OPENS ON:	[●]
ISSUE CLOSES ON:	[●]

MINIMUM SUBSCRIPTION

In accordance with Regulation [106P] (1) of SEBI (ICDR) Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P](1) of SEBI (ICDR) Regulations, the underwriting shall not be restricted to any minimum subscription level. This Issue is 100% underwritten and the details of the same have been disclosed under section titled “**General Information**” beginning on page 41 of this Draft Prospectus.

As per section 39 of the new Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue Document including devolvement of Underwriters within sixty (60) days from the date of closure of the issue, our Company shall forthwith unblocked the entire subscription amount received. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

Further, in accordance with Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be fifty (50). In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

Further, in accordance with Regulation [106Q] of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

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

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 6,000 equity shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

APPLICATION BY ELIGIBLE NRIS, FPIS/FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFS. Such Eligible NRIs, FPIs/FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“**FDI**”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled “**Capital Structure**” beginning on Page 47 of this Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfer and transmission and on their consolidation / splitting of Equity Shares. For further details, please refer to the section titled “**Main Provisions of Articles of Association**” beginning on page 259 of this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM are not liable to inform to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

As per Section 29 of the Companies Act, 2013 and in accordance with SEBI (ICDR) Regulations, every company making public Issue shall issue securities only in dematerialized form only. Hence, the Equity Shares being Issued

can be applied for in the dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public Issue shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Applicants will not have an option of Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

MIGRATION TO MAIN BOARD

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of our Company is likely to increase above ` 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board

OR

- If the Paid up Capital of the company is more than ` 10 crore but below ` 25 crore, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein [•] is the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of three (3) years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to section titled “**General Information**” - **Details of the Market Making Arrangements for this Issue** beginning on page 41 of this Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ` 20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give two (2) way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Kolkata, India. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be Issued or sold within the United States to, or for the account or benefit of “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

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

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106M (1) of Chapter XB of the SEBI (ICDR) Regulations, whereby, an issuer whose post issue face value capital exceed ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please refer to sections titled “**Terms of the Issue**” and “**Issue Procedure**” beginning on pages 230 and 239 respectively of this Draft Prospectus.

The present Issue of 76,26,000 Equity Shares at a price of Rs 20.00 each aggregating to 1525.20.00 Lakh by our Company. The Issue and the Net Issue will constitute 34.99% and 33.23%, respectively of the post issue paid up equity share capital of the Issuer Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares	72,42,000 Equity Shares	3,84,000 Equity Shares
Percentage of Issue Size available for allocation	94.96 % of the Issue Size	5.04 % of the Issue Size
Basis of Allotment/ Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of Equity Shares and further allotment in multiples of 6,000 Equity Shares each. For further details please refer to “Basis of Allotment” under section titled “ Issue Procedure ” beginning on page 239 of this Draft Prospectus.	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Minimum Application Size	For Other than Retail Individual Investors: Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value exceeds `2,00,000. For Retail Individuals: 6000 Equity Shares at Issue price of Rs 20.00 each.	384,000 Equity Shares of Face Value `10.00
Maximum Application Size	For Other than Retail Individual Investors: The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable. For Retail Individuals Investors: Such number of Equity Shares in multiples of 6,000 Equity Shares such that the application value does not exceed ` 2, 00,000.	3,84,000 Equity Shares of Face Value `10.00
Trading Lot	6,000 Equity Shares	6,000 Equity Shares. However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations,

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
		2009.
Terms of Payment	100%	100%

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. For further details please refer to section titled “**Issue Structure**” beginning on page 236 of this Draft Prospectus.

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

- Minimum fifty percent to Retail Individual Investors; and
- Remaining to Investors Other than Retail Individual Investors

The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the Applicants in the other category.

“If the retail individual investor category is entitled to more than fifty per cent (50%) on proportionate basis, the retail individual investors shall be allocated that higher percentage”

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- The final listing and trading approvals of BSE for listing of Equity Shares Issued through this Issue on its SME Platform, which the Company shall apply for after Allotment; and
- The final RoC approval of the Prospectus after it is filed with the RoC.
- In case, our Company wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two (2) widely circulated national newspapers (one each in English and Hindi) and one (2) in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public Issuing of Equity Shares, our Company will file a fresh Issue document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through this Draft Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

ISSUE PROGRAMME

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

Applications and any revisions to the same will be accepted only between 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, .On the Issue Closing Date when applications will be accepted only between 10:00 a.m. to 4:00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a

large number of applications are received on the Issue Closing Date, as is typically experienced in public Issuing, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)

ISSUE PROCEDURE

All applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) included below under section “**PART B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations, as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations, 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public Company. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept Application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing to six working days after the closure of the issue.

Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

This section applies to all the Applicants, please note that all the applicants are required to make payment of the full Application Amount along with the Application Form.

Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

PART-A FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Designated Intermediaries. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges, as mandated by SEBI.

APPLICATION FORM

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this Issue is as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRIs, FPIs, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “**Designated Intermediaries**”)

Sl. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic application system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic application system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to Designated Intermediaries (other than SCSBs):	After accepting the application form, respective Designated Intermediary (other than SCSBs) shall capture and upload the relevant details in the electronic application system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Stock Exchange(s) shall validate the electronic details with depository's records for DP ID, Client ID and PAN, by the end of each day and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by the stock exchange.

Stock exchange(s) shall allow modification of selected fields in the details already uploaded on a daily basis.

Availability of Prospectus and Application Forms

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. www.bseindia.com

Who can Apply?

Each Applicant should check whether it is eligible to apply under applicable law.

In addition to the category of Applicants as set forth under —Part B - General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non-Institutional Investors category;
- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

The information below is given for the benefit of the applicants. Our Company and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

GROUND FOR TECHNICAL REJECTION

Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this Draft Prospectus: -

- a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Applications by OCBs; and
- c) In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Application Form;
- e) Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- g) DP ID and Client ID not mentioned in the Application Form;

- h) PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Applications at a price less than the price fixed for IPO;
- l) Applications at Cut-off Price by NIIs and QIBs;
- m) The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for; with respect to Applications by ASBA Applicants, the amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
- n) Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) In relation to ASBA Applications, submission of more than five Application Form as per ASBA Account;
- p) Applications for an Application Amount of more than Rs. 200,000 by RIIs by applying through non-ASBA process;
- q) Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the prospectus;
- r) Applications as defined in this GID and the Prospectus;
- s) Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and as per the instructions in the Prospectus and the Application Forms;
- t) Inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- u) Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks; with respect to ASBA Applications, where no confirmation is received from SCSB for blocking of funds;
- v) Applications by QIBs (other than Anchor Investors) and Non Institutional Applicants not submitted through ASBA process or Applications by QIBs (other than Anchor Investors) and Non Institutional;
- w) Applicants accompanied with cheque(s) or demand draft(s);
- x) Applications submitted to a LM at locations other than the Specified Cities and Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- y) Applications not uploaded on the terminals of the Stock Exchanges; and
- z) Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For Retail Individual Applicants

The Application must be for a minimum of 6,000 Equity Shares and in multiples of 6,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of 10,000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application form submitted by them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

PARTICIPATION BY ASSOCIATES /AFFILIATES OF LEAD MANAGER AND THE SYNDICATE MEMBERS

The Lead Manager and Syndicate Members, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe the Issue

- a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form. Furnishing the information in respect of depositories account is mandatory and applications without depositories account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of shares in physical form as mentioned above. However, they may get the shares re-materialized subsequent to allotment.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Applicants

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.

2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office / Corporate Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis

Application must be made only in the names of individuals, limited companies or statutory corporations/ institutions and not in the names of minors, foreign nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for such number of Equity Shares that exceed the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR/NRO accounts.

Applications by eligible NRIs/ FPI's on Repatriation Basis

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

As per the current Regulations, the following restrictions are applicable for investments by FPIs.

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by SEBI from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
 - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - b) Nothing contained in clause (a) shall apply to:
 - i. Any transactions in derivatives on a recognized stock exchange;
 - ii. Short selling transactions in accordance with the framework specified by the Board;
 - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the Issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iv. Any other transaction specified by the Board.

- c) No transaction on the stock exchange shall be carried forward;
- d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;
- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
 - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
 - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
 - vi. Any application for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
 - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - viii. Any other transaction specified by SEBI.
- e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by SEBI, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

4. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or subaccount, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

Applications by Limited Liability Partnerships

In case of application made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof.

Applications by Hindu Undivided Families (HUFs)

In case of HUFs, application can be made by the karta of HUF and applications by Hindu Undivided Families would be treated on par with applications by individuals.

Applications by Insurance Companies

In case of application made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- (a) Equity shares of a company: The lesser of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

Applications under Power of Attorney

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakh (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakh, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company

reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lakh and pension funds with minimum corpus of Rs. 2500 Lakh, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Application by Provident Funds/Pension Funds

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakh (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakh, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

Applications by banking companies

In case of Application made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason therefore.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Method and Process of Application

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.

4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic application system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the LM or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

Terms of payment

The entire Issue price of ₹20.00 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicant should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the applicants.

Payment mechanism

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public Issue can only invest through ASBA Mode.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - (i) the applications accepted by them,
 - (ii) the applications uploaded by them
 - (iii) the applications accepted but not uploaded by them, or
 - (iv) with respect to applications by Applicants, applications accepted and uploaded by any

Designated Intermediary (other than SCSBs), the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (i) the applications accepted by any Designated Intermediaries;
 - (ii) the applications uploaded by any Designated Intermediaries; or
 - (iii) the applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.

6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sl. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
- Name of the Applicant;
 - IPO Name;
 - Application Form Number;
 - Investor Category;
 - PAN (of First Applicant, if more than one Applicant);
 - DP ID of the demat account of the Applicant;
 - Client Identification Number of the demat account of the Applicant;
 - Number of Equity Shares Applied for; •Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other

soundness of our Company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue.
14. Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
15. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
16. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Allocation of Equity shares

- 1) The Issue is being made through the Fixed Price Process wherein 3,84,000 Equity Shares shall be reserved for Market Maker. 36,24,000 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and Filing of Prospectus with ROC

- a) Our company and Lead Manager have entered into an Underwriting Agreement dated [●] with underwriter.
- b) A copy of Prospectus will be filed with the RoC in terms of Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre - issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-issue advertisement, we will state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, will be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicants.

General Instructions

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit with the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);

- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than five applications from one bank account.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. www.bseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. www.bseindia.com

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre - issue or post issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps 'for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed arc taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non- Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Impersonation

Attention of the investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

Undertakings by Our Company

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;

- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That our Promoters undertake to comply with the provisions in respect of minimum promoters' contribution as required under regulation 32 of SEBI ICDR Regulations;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Company;

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated [●] between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN as [●].

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), issued the Consolidated FDI Policy, which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 12, 2015. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

As per the existing policy of the GoI, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and, unless so registered, may not be Issued or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being Issued and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Prospectus as "U.S. QIBs" pursuant to the private placement exemption set out in Section 4(a)(2) of the Securities Act; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

SECTION IX : MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

- I. In these Articles unless there be something in the subject matter or context inconsistent therewith:
 - i. **“The Act”** means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.
 - ii. **“Articles”** means Articles of Association of the Company as originally framed or altered from time to time
 - iii. **“Beneficial Owner”** shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.
 - iv. **“Board” or “Board of Director”** means the Collective body of the Board of Directors of the Company.
 - v. **“Chairman”** means the Chairman of the Board of the Directors of the Company.
 - vi. **“The Company”** means **IDEAL SYSTEMS LIMITED**
 - vii. **“Depositories Act, 1996”** shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.
 - viii. **“Depository”** shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.
 - ix. **“Directors”** mean the Directors for the time being of the Company.
 - x. **“Dividend”** includes any interim dividend.
 - xi. **“Document”** means a document as defined in Section 2 (36) of the Companies Act, 2013.
 - xii. **“Equity Share Capital”**, with reference to any Company limited by shares, means all share capital which is not preference share capital;
 - xiii. **“KMP”** means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.
 - xiv. **“Managing Director”** means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.
 - xv. **“Month”** means Calendar month.
 - xvi. **“Office”** means the registered office for the time being of the Company.
 - xvii. **“Paid-up share capital”** or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;
 - xviii. **“Postal Ballot”** means voting by post or through any electronic mode.
 - xix. **“Proxy”** includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.
 - xx. **“Public Holiday”** means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
 - xxi. **“Registrar”** means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.
 - xxii. **“Rules”** means the applicable rules as prescribed under the relevant sections of the Act for time being in force.
 - xxiii. **“SEBI”** means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.
 - xxiv. **“Securities”** means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)
 - xxv. **“Share”** means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.
 - xxvi. **“Seal”** means the common seal of the Company.
 - xxvii. **“Preference Share Capital”**, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—
 - (a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and

(b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;

Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.

Share Capital

2. The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.
3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

Issue of Sweat Equity Shares

4. Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.

Issue of Debentures

5. The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

Issue of Share Certificates

6.
 - i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—
 - a. one certificate for all his shares without payment of any charges; or
 - b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.

- ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;
 - iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 - iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
7. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.
 8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
 9. The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.

Power to pay Commission In connection with the Securities issued

10.
 - i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
 - ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
 - iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Variations of Shareholder's rights

11.
 - i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
 - ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Issue of Preference Shares

13. Subject to the provisions of section 55 and 62, any preference shares may with the sanction of Special resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

Further Issue of shares

14. (1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:
- (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.
 - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.
 - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.
- (2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.

Lien

- 15.
- i. The Company shall have a first and paramount lien—
 - a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares
 - ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- a. unless a sum in respect of which the lien exists is presently payable; or

b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

17.

i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.

iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

18.

i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Joint Holdings

19. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-

a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.

b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.

e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.

f)

(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.

g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.

Calls on shares

20.

- i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.

- ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
 - iii. A call may be revoked or postponed at the discretion of the Board.
21. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
 22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
 23.
 - i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
 - ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.
 24.
 - i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
 - ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture
 - iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
 25. The Board—
 - i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
 - ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.
 26. Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.

Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.
 27. The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.
 28. The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.

Transfer of shares

29.

- i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.
- ii. Each share in the Company shall be distinguished by its appropriate number.
- iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.

30.

- i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
- ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

31. The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-

- i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- ii. any transfer of shares on which the Company has a lien.

iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

32. The Board shall decline to recognise any instrument of transfer unless—

- i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.

Provided that, transfer of shares in whatever lot shall not be refused.

- iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),
- iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;
- v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.

33. The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay

34. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year

35. The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.

Register of Transfers

36. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.

Dematerialisation of Securities

37.

i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.

a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

b. Option for Investors:

Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security

c. Securities in Depository to be in fungible form:-

- o All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.
- o Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

d. Rights of Depositories & Beneficial Owners:-

Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Transmission of shares

38.

i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

39.

i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

a. to be registered himself as holder of the share; or

b. to make such transfer of the share as the deceased or insolvent member could have made.

ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

40.

i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

41. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

42. The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.

Forfeiture of shares

43. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
44. The notice aforesaid shall—
- i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
45. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 46.
- i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
 - ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 47.
- i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
 - ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
- 48.
- i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
 - ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;
 - iii. The transferee shall thereupon be registered as the holder of the share; and
 - iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
49. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
51. Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

52. The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
53. The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
54. The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Initial payment not to preclude forfeiture

55. Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.

Alteration of capital

56. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
57. Subject to the provisions of section 61, the Company may, by ordinary resolution,—
 - i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Conversion of Shares into Stock

58. Where shares are converted into stock,—
 - i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

Reduction of Capital

59. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
 - i. its share capital;
 - ii. any capital redemption reserve account; or
 - iii. Any share premium account.

Share Warrants

60. The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.

The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.

Not more than one person shall be recognized as depositor of the share warrant.

The Company shall, on two days written notice, return the deposited share warrants to the depositor.

Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.

The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.

Capitalisation of profits

61.
 - i. The Company in general meeting may, upon the recommendation of the Board, resolve—
 - a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
 - ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
 - a. paying up any amounts for the time being unpaid on any shares held by such members respectively;

- b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;
 - c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
 - d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
 - e. The Board shall give effect to the resolution passed by the Company in pursuance of this - regulation.
- iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.
- 62.
- i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—
 - a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - b. generally to do all acts and things required to give effect thereto.
 - ii. The Board shall have power—
 - a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and
 - b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
 - iii. Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

63. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

General Meeting

64. All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.
- 65.
- i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
 - ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.
 - iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

66.

- i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
 - ii.
 - i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.
 - ii. In any other case, the quorum shall be decided as under:
 - a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
 - b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;
67. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
68. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
69. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
70. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
71. A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

- 72.
- i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.
 - ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

- 73.
- i. A poll demanded on a question of adjournment shall be taken forthwith.
 - ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

Adjournment of meeting

- 74.
- i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

- ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

- 75. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
 - i. on a show of hands, every member present in person shall have one vote; and
 - ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
- 76. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 77.
 - i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
 - ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 78. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- 79. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
- 80. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
- 81. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- 82.
 - i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
 - ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
- 83. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

Casting Vote

84. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Representation of Body Corporate

85. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

Circulation of member's resolution

86. The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.

Resolution requiring special notice

87. The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.

Resolutions passed at adjourned meeting

88. The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

Registration of resolutions and agreements

89. The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.

Minutes of proceedings of general meeting and of Board and other meetings

- 90.
- i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
 - ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :
 - A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
 - C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
 - E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
 - F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:

- a. the names of the Directors present at the meetings, and
 - b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.
- iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
- a. is or could reasonably be regarded, as defamatory of any person
 - b. is irrelevant or immaterial to the proceedings; or
 - c. is detrimental to the interests of the Company.
- iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

Minutes to be considered to be evidence

91. The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.

Publication of reports of proceeding of general meetings

92. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

Proxy

93. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
94. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
95. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

96. The Directors of the Company as on the date **27/08/2018** are

- 1. KETAN NALINKANT SHAH**
- 2. JIMIT KETAN SHAH**

3. **DHAVALBHAI PRAVAINBHAI PATEL**

(*) directors at the time of incorporation of the company were

- 1. KETAN NALINKANT SHAH**
- 2. SANDIP RAJNIKANT SHAH**

97. The Directors need not hold any "Qualification Share(s)".

98. Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:

He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.

Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.

- 99.
- i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
 - ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them—
 - a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
 - b. in connection with the business of the company.
100. The Board may pay all expenses incurred in getting up and registering the company.
101. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
102. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
103. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 104.
- i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
 - ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

Retirement and Rotation of Directors

105. Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.

106. The remaining Directors shall be appointed in accordance with the provisions of the Act.
107. At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
108. Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.
109. Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.
110. Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

Nominee Director

111. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.
112. The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.
113. The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.
114. The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission,

monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.

Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.

115. Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

Removal of Directors

116. The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.
117. Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
118. On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
119. Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,
- (a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and
 - (b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

120. A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.
121. A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

122. If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.

123. Nothing in this section shall be taken-

- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
- b) as derogating from any power to remove a director under other provisions of this Act.

Remuneration and sitting fees to Directors including Managing and whole time Directors

124. Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.

In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.

- a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or
- b. In connection with the business of the Company.

125. Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs.1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

Powers and duties of Directors:

Certain powers to be exercised by the Board only at meeting

126.

- i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.
 - a. The power to make calls on shareholders in respect of money unpaid on their shares;
 - b. The Power to authorize buy-back of securities under Section 68 of the Act.
 - c. Power to issue securities, including debenture, whether in or outside India
 - d. The power to borrow moneys
 - e. The power to invest the funds of the Company,
 - f. Power to Grant loans or give guarantee or provide security in respect of loans or otherwise
 - g. Power to approve financial statements and the Board's Report
 - h. Power to diversify the business of the Company
 - i. Power to approve amalgamation, merger or reconstruction
 - j. Power to take over a Company or acquire a controlling or substantial stake in another Company
 - k. Powers to make political contributions;
 - l. Powers to appoint or remove key managerial personnel (KMP);

- m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
- n. Powers to appoint internal auditors and secretarial auditor;
- o. Powers to take note of the disclosure of director's interest and shareholding;
- p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;
- q. Powers to invite or accept or renew public deposits and related matters;
- r. Powers to review or change the terms and conditions of public deposit;
- s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.

- ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.
- iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
- iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.
- v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.

Restriction on powers of Board

127.

- i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :
 - a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;
 - b) remit, or give time for the repayment of any debt, due by a Director;
 - c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
 - d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or
 - e) contribute to bona fide charitable and other funds, aggregate of which will in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.
- ii. Nothing contained in sub-clause (a) above shall affect:
 - a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or
 - b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.

- iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
 - iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.
128. Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.

General powers of the Company vested in Directors

129. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Specific powers given to Directors

130. Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:
- i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;
 - ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;
 - iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
 - iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds,

debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

- v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;
- vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;
- vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
- viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
- ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
- x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
- xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
- xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
- xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
- xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.
- xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.

- xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
- xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;
- xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
- xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.
- xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
- xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;

MANAGING DIRECTORS

Power to appoint Managing or Whole-time Directors

131.

- a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.
- b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.
- c) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.

Proceedings of the Board

132.

- a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

133. The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.

134.

- a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

135. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

136. The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

137.

- a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

Delegation of Powers of Board to Committee

138.

- a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

- 139.
- a) A committee may elect a Chairperson of its meetings.
 - b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 140.
- a) A committee may meet and adjourn as it thinks fit.
 - b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
141. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
142. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

143. Subject to the provisions of the Act,—
- a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
 - b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.
144. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.

The Seal

- 145.
- a) The Board shall provide for the safe custody of the seal.
 - b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Dividends and Reserve

146. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

147. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
- 148.
- a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.
 - b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 149.
- a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
 - b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
 - c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
150. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 151.
- a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
 - b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
152. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
153. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
154. No dividend shall bear interest against the Company.
- Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;
155. Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.
- The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.

156. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
157. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Accounts

- 158.
- a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.
 - b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

Inspection of Statutory Documents of the Company:

159. Minutes Books of General Meetings

- a) The books containing the minutes of the proceedings of any general meeting of the Company shall;
 - i. be kept at the registered office of the Company, and
 - ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.

- b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.

160. Register of charges:

- a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.
- b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—
 - a. by any member or creditor without any payment of fees; or
 - b. by any other person on payment of such fees as may be prescribed,

Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.

Audit

161.

- a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
- b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.
- c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.
- d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.

Winding up

162. Subject to the provisions of Chapter XX of the Act and rules made there under—

- i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.

Indemnity

163. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—

Secrecy

164.

- (a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.
- (b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of the Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of the Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at 4th Floor H N House (Nidhi Complex) Near Under Bridge Stadium Five Roads Navrangpura, Ahmedabad-380009, India from 10.00 am to 5.00 pm on all Working Days from the date of Prospectus until the Issue Closing Date.

A. Material Contracts to the Issue

1. Issue Agreement dated September 24, 2018 entered into among our Company and the Lead Manager.
2. Agreement dated September 24, 2018 entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated [●] entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated [●] entered into among our Company, CDSL and the Registrar to the Issue.
5. Banker to the Issue Agreement dated [●] among our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated [●] between our Company, the Lead Manager and the Market Maker.
7. Underwriting Agreement dated [●] between our Company, the Lead Manager and the Underwriter.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation of our Company dated November 29, 1996 issued by Registrar of Companies, Ahmedabad.
3. Fresh Certificate of Incorporation dated September 11, 2018 issued by Registrar of Companies, Ahmedabad Gujarat pursuant to conversion into public limited Company.
4. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated August 27, 2017, authorizing the Issue and other related matters.
5. Copies of Audited Financial Statements of our Company for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014.
6. Auditor's report for Restated Financials dated [●] included in this Draft Prospectus.
7. Copy of Statement of tax benefits dated [●] from the Statutory Auditor included in this Draft Prospectus.
8. Consents of Promoters and Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Banker to the Issue, Peer Review Auditor, Legal Advisor to the Issue, Advisor to the Company; Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the Prospectus to act in their respective capacities.

9. In-principle listing approval dated [●] from the BSE Limited for listing the Equity Shares on the SME Platform of BSE.
10. Due Diligence Certificate dated [●] from the Lead Manager to BSE Limited.
11. Due Diligence Certificate dated September 21, 2018 from the Lead Manager to SEBI.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Mr. Ketan Nalinkant Shah Managing Director DIN: 00913411	Sd/-
Mr. Jimit Ketan Shah Whole Time Director DIN: 08043932	Sd/-
Mr. Dhavalbhai Pravinbhai Patel Non-Executive and Independent Director DIN: 07770039	Sd/-
Mr. Safal Patel Non-Executive and Independent Director DIN: 08107710	Sd/-
Mrs. Kairavi Doshi Non-Executive and Independent Director DIN: 08206886	Sd/-

Mr. Jimit Ketan Shah Signed By Chief Financial Officer (CFO) PAN: EZWPS3220K	Sd/-
Ms. Malvika Bhadreshbhai Kapasi Signed By Company Secretary & Compliance Officer (CS) PAN: CZWPK7048B	Sd/-

Date: 28.09.2018
Place: Ahmedabad